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LEGISLATIVE HISTORY

Public Law 150--81st Congress

Chapter 286--1st Session

H. R. 3083

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TREASURY-POST OFFICE APPROPRIATION ACT, 1950. Provides for transfer of funds to the Treasury Department, with approval of the Budget Bureau, from appropriations for conservation and use of agricultural land resources, this Department, and available corporate funds of Government corporations, to cover expenses for disbursements therefor; requires (under the Bureau of Federal Supply) transfers from other agencies to the Bureau in connection with transfers of functions to the Bureau; provides the method of payments to the general supply fund; permits the Bureau to recondition and repair Government supplies; increases the supply fund by \$479,803.93; generally prohibits the use of 1949 appropriations for the purchase of typewriters, but fixes a formula for the price of typewriters which may be purchased in special circumstances; directs the Bureau to make surveys from time to time to determine the number of surplus typewriters and directs Government agencies to surrender typewriters found to be surplus; authorizes the Bureau to charge Government agencies for typewriters supplied; provides for the disposal of the proceeds from sale of surplus property; authorizes the purchase of printing and binding from the Government Printing Office for field-warehouse stocking and issue; provides \$525,000,000 for stockpiling of strategic and critical materials and authorizes the transfer of surplus property to the stockpile; permits the Post Office Department to manufacture small quantities of distinctive equipment required by other agencies; and provides for joint telephone switchboard service in post-office buildings serving two or more Government agencies.

INDEX AND SUMMARY OF HISTORY ON H. R. 3083

January 26, 1949	Hearings: House, H. R. 3083. Treasury Department.
February 10, 1949	Hearings: House, H. R. 3083. Post Office Department.
March 1, 1949	House Committee on Appropriations reported H. R. 3083. House Report 168. Print of the bill as reported.
March 3, 1949	House debated and passed H. R. 3083 as reported.
March 4, 1949	Print of H. R. 3083 as referred to the Senate Committee on Appropriations.
March 28, 1949	Hearings: Senate, H. R. 3083.
April 29, 1949	Senate Committee reported H. R. 3083 with amendments. Senate Report 310. Print of the bill as reported. Print of an amendment proposed by Senators Ferguson and Bridges.
May 10, 1949	Senate began debate on H. R. 3083. Rejected a committee amendment regarding the purchase of twine (pp. 6048-56). The Bridges-Ferguson amendment regarding 5% reduction in appropriation was ruled out of order.
May 11, 1949	Senate concluded debate and passed H. R. 3083 with amendments. Rejected, 37-45, a motion to suspend the rules and adopt the amendment to make 5% reductions in appropriations (pp. 6117-33). Rejected, 33-45, an amendment that no more than 95% of funds appropriated in bill be expended by the two Departments (pp. 6133-44). Rejected 38-44 a motion to recommit the bill to the Committee with instructions for reductions of at least 5% in funds. (pp. 6144-7). Sen. Wherry spoke in favor of adopting a single appropriation bill (pp. 6123-8). Senate conferees appointed. Print of the bill with the amendments of the Senate numbered.
May 18, 1949	House conferees appointed.
June 14, 1949	House received the conference report. House Report 815.
June 15, 1949	House agreed to the conference report.
June 22, 1949	Senate agreed to certain amendments in disagreement and asked for further conference. Conferees appointed.
June 23, 1949	House conferees appointed for further conference.

June 29, 1949

House received the second conference report. House Report 948. House agreed to the report.

June 30, 1949

Senate agreed to the second conference report.

Approved. Public Law 150.

July 19, 1949

Hearings: H. R. 3083, Senate supplemental.

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, 1950

EXPORT-IMPORT BANK OF WASHINGTON
RECONSTRUCTION FINANCE CORPORATION

MARCH 1, 1949.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 3083]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1950, and authorizing the expenditure of corporate funds of the Export-Import Bank of Washington and the Reconstruction Finance Corporation. The bill includes action on all estimates contained in the 1950 Budget for the above-mentioned agencies of the Government, the estimates for which are contained in the 1950 Budget (H. Doc. 17, 81st Cong.), as follows: For the Treasury Department on pages 925 to 974, inclusive; for the Post Office Department on pages 873 to 897, inclusive; for the Export-Import Bank of Washington on pages 1053 to 1061, inclusive; and for the Reconstruction Finance Corporation on pages 1173 to 1200, inclusive.

Comparative figures for the direct annual appropriations contained in the accompanying bill are as follows:

	Treasury Department	Post Office Department	Total
Appropriations, 1949 ¹	\$795,914,855.00	\$1,857,304,825	\$2,653,219,680.00
Estimates, 1950.....	1,092,944,450.00	2,079,672,300	3,172,666,750.00
Bill, 1950.....	1,027,608,403.93	2,045,209,500	3,072,817,903.93
Bill, compared with 1949 appropriations.....	+231,693,548.93	+187,904,675	+419,598,223.93
Bill, compared with 1950 estimates.....	-65,386,046.07	-34,462,800	-99,848,846.07

¹ Includes \$107,827,000 carried in first deficiency bill, 1949.

Comparative figures for the authorization of use of corporate funds for administrative expenses contained in the accompanying bill are as follows:

	Export-Import Bank	Reconstruction Finance Cor- poration	Total
Authorizations, 1949.....	\$800,000	\$24,796,000	\$25,596,000
Estimates, 1950.....	950,000	26,774,000	27,724,000
Bill, 1950.....	950,000	25,400,000	26,350,000
Bill, compared with 1949 authorizations.....	+150,000	+604,000	+754,000
Bill, compared with 1950 estimates.....	-----	-1,374,000	-1,374,000

INCREASED COSTS OF PUBLIC LAW 900

It will be noted in a comparison of the appropriations for 1949 and the amounts carried in the bill for 1950 that nearly all of the items show an increase. In a vast majority of these cases, the increase has been made necessary in view of the passage, during the closing days of the Eightieth Congress, of Public Law 900, which provided salary increases of \$450 per annum for employees in the postal service and \$330 per annum for other Government employees. It was disclosed throughout the hearings that the 1949 appropriations made to date will probably be insufficient to carry the departments through the entire year owing to the fact that such a large portion of many of these appropriations is required for the payment of personal services. It is the understanding of the committee that deficiency requests for many of the items carried in this bill will be submitted by the Bureau of the Budget later in the present session of Congress, after determination has been made as to how much of the cost of salary increases can be absorbed during the remaining portion of the year. The amounts recommended for 1950 include sums necessary to pay the increased rates inasmuch as Public Law 900 allowed them on a permanent basis.

SIMPLIFICATION IN LANGUAGE

The appropriation language in the Treasury and Post Office titles of the bill has been revised extensively in the budget presentation and the committee is in complete accord with this step. The result is more concise, uniform language without changing the purpose or intent of the availability of the appropriations. In the course of

consideration of annual appropriation bills year after year, various language provisions have been inserted in the bill, many of which are now authorized in basic legislation or have lost their significance and there is no good purpose to be served in annually repeating unnecessary and obsolete language.

TITLE I—TREASURY DEPARTMENT

FORM OF JUSTIFICATIONS

The committee was particularly pleased to note the improvement in the form of justifications prepared by the Treasury Department. The revisions included a reduction of much superfluous detail which had not previously been of particular use to the committee, with a result that essential information needed by the committee was much more readily available.

CLASSES OF APPROPRIATIONS

Direct annual appropriations carried in the accompanying bill for the Treasury Department total \$1,027,608,403.93, a reduction of \$65,386,046.07 below the budget estimates.

The committee recommends that certain appropriations heretofore carried as definite annual appropriations be converted to indefinite appropriations which is in line with the action of Congress a year ago in making the same shift in regard to payments made for refunds of income taxes.

Permanent appropriations.—The Treasury Department, in addition to the titles carried as annual appropriations, administers certain permanent appropriations including interest on the public debt, statutory public-debt requirements, and other items for which there will be an estimated expenditure during 1950 of \$8,260,809,683. This is \$504,855,607 less than the amount estimated for 1949 and is made possible in view of a decrease in payment of refunds on internal revenue collections.

Interest on the public debt is carried as a permanent appropriation and the expenditures therefor are estimated to be \$5,450,000,000 in 1950, or an increase of \$125,000,000 over the 1949 estimate of \$5,325,000,000. The increase in interest payments is due to a rise in the average rate paid and not to an increase in the total debt outstanding. Testimony indicated that the average rate of interest at the present time is 2.216 percent, as compared with 2.144 a year ago.

The budget estimate for outstanding debt at the end of fiscal year 1949 is \$251,600,000,000.

Trust funds.—The Treasury Department also administers trust funds including such items as the Federal old-age and survivors insurance fund, the employment trust fund, and others. Total expenditures of these funds in 1950 are estimated to be \$3,888,152,586, an increase of \$730,510,468 over the 1949 estimate of \$3,157,642,118.

A table will be found on page 22 of this report showing an itemization of the various permanent appropriations and trust funds.

DEPARTMENTAL OFFICES

Appropriation, 1949	¹ \$10, 135, 000
Estimate, 1950	5, 064, 200
Recommended in bill, 1950	4, 570, 000

¹ Includes appropriation of \$5,900,000 for penalty mail which was impounded upon repeal of the Penalty Mail Act, making the 1949 appropriation as adjusted, \$4,235,000.

Offices provided for in the foregoing recommendation of \$4,570,000, include the Secretary's immediate office, the Division of Tax Research, the Office of the General Counsel, the Office of Contract Settlement, and the Office of Administrative Services, which is a new consolidated appropriation containing items previously carried for the Office of the Chief Clerk, the Office of the Superintendent of Treasury Buildings, and the Division of Personnel, which have been eliminated as separate titles, together with various transfers of functions and activities previously scattered throughout several other appropriations. This rearrangement is to conform to a reorganization in the Department.

The appropriations for the payment of damage claims and for the health-service programs in the Department, as well as refunds under the Renegotiation Act, are also included in the above figures.

Division of Tax Research.—In recommending \$135,000 for this Division the committee has denied the request for four additional positions, believing that the present size of the organization is adequate to carry on activities properly coming under its cognizance.

Office of the General Counsel.—An increase in 12 positions—6 attorneys and 6 clerical—was requested for this Office, which would have provided a total of 77 positions for 1950. The committee does not feel that such an increase is warranted and has accordingly allowed funds for about one-third of the increase requested. The committee believes that considerable progress could be made in the coordination of the various legal activities of the Treasury Department and urges the Secretary and the general counsel to give serious consideration to this matter in the next fiscal year.

Office of Administrative Services.—The committee was in agreement with the consolidation that has been made, wherein this Office is attempting to pull together various administrative functions of the Department. In fact, the 1949 committee report recommended this action. However, one of the prime results that is supposed to be derived from such consolidation is that money will be saved as a result thereof. The committee is not satisfied with the slight reduction of two positions proposed by the Department and is therefore recommending approval of \$1,100,000, a reduction of \$100,000 below the budget estimate. It believes that consolidations of this nature should be encouraged but insists that the anticipated results thereof should be reflected in the budget of the offices concerned.

BUREAU OF ACCOUNTS

Appropriation, 1949.....	\$16, 243, 000
Estimate, 1950.....	12, 840, 000
Recommended in bill, 1950.....	12, 650, 000

Appropriations for this Bureau provide for the same general functions as heretofore.

There is one new project under way in which the committee is very much interested and which it wholeheartedly endorses. That is the program for the establishment of a more uniform and simplified accounting system for the Federal Government, which the Treasury Department, the Bureau of Budget, and the General Accounting Office are undertaking to revise and improve the accounting structure of the entire Federal Government. This program has the enthusiastic endorsement of the heads of the three departments concerned and the committee hopes that the results of the survey will bring about certain

much-needed changes and improvements. An additional amount of \$92,481 was requested for the purpose of setting up 14 additional positions for the accounting system's staff, and the committee desires that such amount, if necessary, be used for this purpose.

A reduction of \$90,000 in the amount requested for salaries of the Bureau of Accounts is not to be construed as failure on the part of the committee to provide the help necessary to carry on the accounting system program. The committee believes that this reduction should be absorbed in other programs of the Bureau.

Division of Disbursement.—This Division handles the disbursement by check for all departments of the Government, including the payments made from the special deposit funds and trust accounts, with the exception of the postal service and military establishments and certain Government corporations. The committee recommends approval of the Budget estimate for salaries and expenses of \$10,830,000. Taking into consideration the increase of \$1,098,060, caused by Public Law 900, the Division is actually one of the few that shows a reduction in the number of personnel to be employed in 1950.

Another appropriation administered by this Bureau is that which provides for the recoinage of silver coins, wherein the committee recommends the approval of the budget estimate of \$150,000. The committee suggests that the Department give consideration, before the next budget estimate is submitted, to making this an indefinite appropriation so that the Department could carry on this program in the same manner as it does in using silver in the manufacture of new coins.

The committee recommends the appropriation of \$100,000 for the Government losses in shipment revolving fund. This recommendation is for one-half of the amount requested. The committee feels that every effort should be made to cut down on losses payable from this fund and that a more vigorous effort be made to make recoveries. It would seem that these losses should decline with the lessening activity of the programs which affect the claims that are paid out of this appropriation.

Reference heretofore has been made to changing from an annual basis to a permanent indefinite basis of certain appropriations. Two of these are under this Bureau, being those for refund of moneys erroneously received and covered, the estimate for which is \$1,000,000, and payment of certified claims, the estimate for which is \$1,500,000.

Payments from these appropriations are purely automatic and not susceptible of control, either by the Congress or the Treasury Department, and no good purpose is served by requiring annual review and consideration.

BUREAU OF THE PUBLIC DEBT

Appropriation, 1949	\$53,300,000
Estimate, 1950	54,111,250
Recommended in bill, 1950	53,450,000

The duties of this Bureau relate generally to the transaction of matters relating to public-debt issues and the maintenance of all securities accounts. Two principal offices are maintained—one in Washington, D. C. for functions relating to the issue, service, and retirement of public-debt securities, except savings bonds; and the other in Chicago which handles the savings bond work. There are

also five regional offices. The committee recommends \$52,000,000 for the salaries and other expenses of this Bureau, a reduction of \$650,000 below the budget estimate; and for distinctive paper for United States currency the sum of \$1,450,000.

OFFICE OF THE TREASURER OF THE UNITED STATES

Appropriation, 1949.....	\$5, 355, 000
Estimate, 1950.....	5, 975, 000
Recommended in bill, 1950.....	5, 900, 000

The major item under this Office is for salaries and expenses, in which the committee recommends \$5,450,000, a reduction of \$50,000 below the estimate requested. The committee was pleased to note that this is another one of the few offices that plans to operate on a slightly reduced scale during 1950 as compared with 1949. The operations to date in fiscal 1949 give every indication that the amount allowed by the committee will be sufficient to provide for the operation of this Office. The appropriation for contingencies under this Office shows a considerable increase over 1949, but this is all due to an increase, effective January 1, 1949, in parcel-post rates which is the principal item of cost in this appropriation.

BUREAU OF CUSTOMS

Appropriation, 1949.....	\$50, 400, 000
Estimate, 1950.....	35, 950, 000
Recommended in bill, 1950.....	35, 300, 000

The committee recommends \$35,000,000 for collecting the revenue from customs, which is a reduction in the estimate of \$600,000. The cost of Public Law 900 in 1950 represents approximately a \$2,676,000 increase over the 1950 base, but against this is applied a net reduction of 88 positions. The committee was pleased to note an over-all reduction in the force and commends the Bureau for achieving this result; however, this is a net figure resulting from a decrease of 114 field positions while, at the same time, an increase in the departmental positions by 26, from 212 to 238, is proposed. The committee is not convinced of the desirability of increasing the departmental force at a time when reductions are being made in the field service.

A request was made for \$350,000 to establish a revolving fund, from which the Bureau would pay for overtime services and salaries of employees rendering service to private interests for which the department is reimbursed. Section V of the act of February 3, 1911, as amended, provides that customs officers required to remain on duty between the hours of 5 p. m. and 8 a. m., or on Sundays or holidays, to perform services in connection with the loading or unloading of cargo, or the examination of baggage, are entitled to extra compensation for such overtime and that the expense thereof must be borne by the owner of the vessel or some other party aside from the Government. There has previously been appropriated \$300,000 annually, which was used for this purpose and, after the collections were made and within 6 months after the end of the fiscal year, the fund was returned to the Treasury. The committee, therefore, believes that the sum of \$300,000 will suffice to carry on this function and has recommended that amount. This will eliminate the necessity of reappropriating each year a like amount of money.

The budget proposal to have customs refunds and draw-backs appropriated for hereafter on an indefinite basis is approved, owing to the impossibility of accurate estimates being made more than a year in advance of requirements for an expenditure of this nature, which the Government is obligated to make regardless of amounts appropriated. The estimated amount to be expended for this purpose in 1950 is \$16,000,000, a reduction of \$2,000,000 below the 1949 appropriation.

BUREAU OF INTERNAL REVENUE

Appropriation, 1949-----	\$193, 588, 500
Estimate, 1950-----	232, 778, 000
Recommended in bill, 1950-----	220, 510, 000

The committee recommends the appropriation of \$220,500,000 for the salaries and expenses of collecting the internal revenue, a reduction of \$12,268,000 in the amount requested, \$232,768,000. The estimates submitted by the Bureau contemplated a considerable increase in the number of personnel, involving a total of 1,476 additional employees on a full-year basis, plus 5,543 additional employees to be placed on the roll during the last half of the fiscal year 1950. This would have resulted in a total increase of 7,019 persons by June 30, 1950, and given the Bureau an average number of 55,076 positions for the year. Congress allowed this Bureau an increase of approximately 1,950 employees for the fiscal year 1949 and the committee is of the opinion that considerable benefit to the Federal Treasury can be derived from the employment of more personnel. At the same time, the committee is aware that there is a point of diminishing returns and it is the judgment of the committee that the Bureau of Internal Revenue would be rapidly approaching that point were it allowed to add over 7,000 employees to its rolls in 1950. The amount recommended will allow the employment of 1,500 additional people on a full-year basis. The committee does not want the Bureau's employees increased by any more than that number at the end of 1950. If the Bureau cannot, in the first few months of the year, hire 1,500 people, it should not use the money in the last few months to build up an additional number of employees at the end of 1950.

The committee feels that the average citizen of this country, who makes an honest, frank income-tax return, should not be penalized by the failure of the Bureau, through a shortage of employees, to collect what is properly due the Government from those who would not voluntarily make a correct return.

The committee recommends approval of the budget estimate of \$10,000 for additional income tax on the railroads in Alaska, the proceeds of which are paid to the treasurer of Alaska and made applicable for general Territorial purposes.

BUREAU OF NARCOTICS

Appropriation, 1949-----	\$1, 450, 000
Estimate, 1950-----	1, 560, 000
Recommended in bill, 1950-----	1, 560, 000

The estimate of \$1,560,000 has been approved. The Bureau plans to operate with practically the same number of people, 287, during the fiscal year 1950, as it is using at the present time. The major part of the increase over the cost for the present year is attributable

to the cost of Public Law 900. Testimony indicated an alarming increase in the use of marijuana, and the committee believes that any reduction that might have been made in this Bureau would be ill-advised, as there is actually an increase in the amount of activity which must be handled by this Bureau.

A year ago, the committee increased the budget estimate for this Bureau in the amount of \$16,000 for the purpose of certain investigative and preventive work and is gratified to learn through testimony offered on this bill that the amount provided for this special work is deemed to have been a very wise investment insofar as curtailing the illegal flow of drugs is concerned.

BUREAU OF ENGRAVING AND PRINTING

Appropriation, 1949	\$14,365,000
Estimate, 1950	17,000,000
Recommended in bill, 1950	15,000,000

The committee recommends the appropriation of \$15,000,000 for salaries and expenses of this Bureau, a reduction of \$2,000,000 in the budget estimate. The major portion of the increase requested was for approximately 400 additional employees, many of whom would be highly skilled technicians. The committee has considerable doubt as to the ability of the Bureau of Engraving and Printing to locate the number of skilled workmen requested. The failure to obtain new employees will mean additional sums for overtime payments to present employees, which accounts for a considerable portion of the increase that has been allowed.

SECRET SERVICE DIVISION

Appropriation, 1949	\$2,814,600
Estimate, 1950	3,165,000
Recommended in bill, 1950	3,054,600

The appropriations under this Bureau cover the cost for protection of the President of the United States, the enforcement of various laws relating to counterfeiting, forgery, and alteration of checks, obligations, and other securities of the United States. The committee recommends \$1,900,000 for salaries and expenses of the Secret Service, a reduction of \$100,000 in the amount requested. The request included funds for an increase of 33 positions above the 333 positions carried during the fiscal year 1949, and the amount allowed will provide approximately one-quarter of the increases that were requested, in order to allow the Division to make a more vigorous drive on counterfeiting activities which have been on an increase during recent months.

The committee has approved the entire amount requested for salaries and expenses of the White House Police, \$370,000, plus the request of \$84,600 for reimbursement to the District of Columbia on account of benefit payments to members of this force.

BUREAU OF THE MINT

Appropriation, 1949	\$4,755,000
Estimate, 1950	4,942,000
Recommended in bill, 1950	4,800,000

The committee recommends the appropriation of \$4,800,000 for salaries and expenses, a reduction of \$137,000 in the amount requested, but an increase of \$50,000 over the 1949 appropriation which, including

a supplemental request of \$250,000 to cover salary increases, is \$4,750,000.

The appropriation for transportation of bullion and coin amounted to nearly \$2,000,000 in 1940, at which time large quantities of gold and silver were being shipped into the Fort Knox and West Point depositories. This activity has now diminished to such an extent that only \$5,000 was requested for the fiscal year 1950. The committee has eliminated the appropriation and believes that whatever small amount might be necessary for this purpose can be paid out of the regular salary and expense appropriation and thus avoid the necessity of carrying another set of accounts on the books of the Treasury Department and other Government agencies.

BUREAU OF FEDERAL SUPPLY

Appropriation, 1949-----	\$303, 070, 000. 00
Estimate, 1950-----	570, 042, 000. 00
Recommended in bill, 1950-----	527, 054, 803. 93

Salaries and expenses.—The committee recommends \$1,450,000 for this title, a reduction of \$350,000 below the estimates. The committee feels that curtailment should be made in the activities of this Bureau which show an appropriation increase of nearly 400 percent in the last 10 years despite the fact that the major part of the functions of the Bureau are supplied by funds from other appropriations and programs. The amount allowed should enable the programs paid from this appropriation to continue through the fiscal year 1950 on the 1949 level, plus a slight increase. The appropriation base for 1950 is \$1,287,500, to which should be added approximately \$100,000 for additional costs of Public Law 900, making a total of \$1,387,500. Thus, there is an increase of \$63,500 above the 1949 amount allowed for 1950.

General supply fund.—The Bureau requested an additional appropriation of \$4,000,000 for the general supply fund. The capital in the fund now amounts to \$9,520,196.07. The committee believes that \$10,000,000 capital is as much as should be carried in this fund and, therefore, recommends the appropriation of \$479,803.93, which will bring the capital up to the figure desired by the committee.

Strategic and critical materials.—The stock-piling program has been moving forward at a quite satisfactory pace, and the committee believes that good progress has been made in building up our reserves of strategic and critical materials. The budget requested a total program of new obligational authority of \$525,000,000 (composed of \$314,000,000 in new cash and \$211,000,000 in contract authority) plus \$250,000,000 in cash for the purpose of liquidating prior contract authority. The committee recommends approval of the program in total but has made a shift in the amount of cash allowed and the amount of contract authority, recommending new cash of \$275,000,000 and contract authority of \$250,000,000, plus approval of the request for \$250,000,000 to liquidate obligations already incurred under previous contract authority. The committee believes that the present rate of procurement will not require the full amount of cash immediately as a considerable number of the items to be obtained under the program will not be delivered during the fiscal year 1950 and, therefore, the funds to pay for them will not be required during that fiscal year.

Typewriter program.—The committee recommends the continuation of the typewriter program on practically the same basis as contained in the bill for 1949 which carried language to make the program applicable to all agencies in the executive branch of the Government, independent establishments, and the Government corporations. It is believed that there is still room for considerable improvement in the typewriter situation, and the Director of the Bureau of Federal Supply is urged to make every effort to acquire all surplus typewriters of the Government, put them in proper working order when it is feasible to do so, and dispose of those which are in such condition that the continued use of them would be unprofitable. The committee recognizes that there are certain agencies of the Government that will need to acquire new typewriters during the fiscal year 1950 and has approved language which will allow the Director of the Bureau of Federal Supply to provide such typewriters if the agencies can demonstrate a need for them. The provision relating to the price paid for typewriting machines is continued, under which the Government will pay not more than 90 percent of the price granted the most favored customer of the respective typewriter companies.

UNITED STATES COAST GUARD

Appropriation, 1949.....	\$140, 438, 755
Estimate, 1950.....	149, 567, 000
Recommended in bill, 1950.....	143, 759, 000

Salaries, Office of the Commandant.—The committee has approved the budget estimate of \$2,500,000, which will provide for 739 positions in 1950, the same number as carried in 1949. The increase over the amount of the 1949 appropriation is due entirely to the additional cost of Public Law 900.

Pay and allowances.—The committee recommends \$74,500,000, an increase of approximately \$3,200,000 over the amount allowed for 1949, and a reduction of \$2,945,000 in the amount requested. The 1950 request was based on an increase of 2,035 military personnel, composed of 125 commissioned officers, 60 cadets, 50 warrant officers, and 1,800 enlisted men. The committee has not attempted to specify exactly the numbers of personnel by grades that should be allowed but definitely feels that there are too many officers in the higher ranks. The justifications indicated that further increases were planned in the number of officers in the rank of commander and above. The committee hopes that the Coast Guard will review this situation most carefully with a view to reducing the ratio of higher officers to enlisted men. The amount allowed will provide approximately 23,000 officers and men as compared with an average of 21,880 for the fiscal year 1949.

General expenses.—The committee recommends \$39,225,000 under this head, which is \$763,000 below the amount requested. This appropriation covers the expenses for fuel, repairs, supplies, communication services, freight, ordnance, and other miscellaneous equipment required by the Coast Guard in the performance of its duties.

Acquisition, construction, and improvements.—The committee recommends \$10,000,000 for this purpose, a reduction of \$2,000,000 in the

amount requested. This appropriation provides for the establishment of aids to navigation and replacements and improvements of Coast Guard stations, bases, and depots, as well as construction of ships. The estimates call for the construction of one lightship at an estimated cost of \$1,105,000. Estimates included \$3,000,000 under this head for the replacement of aircraft. The committee prefers to defer all items not immediately essential in view of the present high cost of construction. Rather than definitely earmark particular projects for construction, the committee prefers to rely on the judgment of the Coast Guard to determine which of the various projects should be undertaken within the amount provided.

Coast Guard Reserve.—The budget estimate contained no provision for activities of the Coast Guard Reserve. The subject was discussed at length by the committee and it was ascertained that plans are now under way to encourage activities on the part of Reserve personnel of the Coast Guard. The committee is sympathetic with the establishment of a Coast Guard Reserve program to enable the service to hold the interest of those who served during the war and are now in civilian life.

It is understood that budget estimates are now being considered for instituting this program and the committee will give the subject most serious consideration when the matter is formally submitted.

TITLE II—POST OFFICE DEPARTMENT

POSTAL REVENUES AND EXPENDITURES

The budgetary requests of the postal service present a situation unlike that of other departments. The largest items of expenditure are not within the control of the Postmaster General but are items for which the rate of expenditures is fixed either by law or regulatory action of other Government agencies, as in the case of the Interstate Commerce Commission which sets the rates for rail transportation, and the Civil Aeronautics Board which sets the rates for air-mail transportation. The Department is under a considerable budgetary handicap in that applications for increases in transportation rates are pending before both the Interstate Commerce Commission and the Civil Aeronautics Board. The railroads of the country have filed an application for an increase of 45 percent in their rate structure and subsequent to that filing amended the application by requesting a 65-percent increase. Pending the final determination of this request, the Interstate Commerce Commission has granted a 25-percent temporary increase. The Department has been for some time and is continuing to develop the facts for presentation in connection with its arguments against the requested increase and it is estimated that it will probably be another year before the case is actually scheduled to be heard.

In the case of the Civil Aeronautics Board decisions, there has been considerable delay and very little progress in the determination of permanent rates. The result is a large backlog of cases, particularly in the field of domestic air-line rates.

The postal revenue and expenditure estimates on which the budget is predicated are set forth in the following table:

Audited and estimated revenues, obligations, and deficit, fiscal years 1948, 1949, and 1950

Item	1948 (audited revenues and accrued obligations)	1949 (estimate)	1950 (estimate)
Revenues.....	\$1, 410, 971, 284	\$1, 540, 916, 000	\$1, 676, 000, 000
Total obligations.....	1, 723, 285, 134	2, 072, 392, 872	2, 084, 754, 300
Deduct reimbursements.....	3, 341, 845	5, 034, 900	5, 082, 000
Net postal obligations.....	1, 719, 943, 289	2, 067, 357, 972	2, 079, 672, 300
Postal deficit.....	308, 972, 005	526, 441, 972	403, 672, 300

The bill carries a grand total of \$2,045,209,500 for the activities of the Post Office Department, field and departmental, a reduction of \$34,462,800 below the budget estimate and an increase of \$187,904,675 over appropriations for 1949, including the amounts carried in the first deficiency bill, 1949, which has been passed by the House of Representatives and is now pending in the Senate. The passage of Public Law 900, Eightieth Congress, had its effect upon the Post Office Department in both receipts and expenditures, in that it increased the salaries of the postal employees by \$450 per annum and also authorized increases in various charges for certain types of mail and services handled by the Department. The rate increase did not become effective until January 1, 1949, so very little time has elapsed in which the Department could tell by actual experience the results of the operation of these increases. It is estimated that approximately \$78,500,000 of additional revenue will be forthcoming in fiscal year 1949 as a result of these increases.

PROPOSED INCREASE IN POSTAL RATES

On February 21, 1949, the Postmaster General submitted to the House of Representatives detailed suggestions for additional increases in certain postal rates and services, which have been incorporated in the provisions of H. R. 2945. This committee is most anxious that favorable action be taken by Congress on this subject as it feels that the rates should be so adjusted that the postal service, especially for commercial users, will be conducted on a more nearly self-sustaining basis. It is estimated by the Postmaster General that approximately \$250,000,000 of additional revenue per annum would result from the enactment of the recommendations carried in the above-mentioned bill. This would result in a reduction of the postal deficit for 1950 from approximately \$403,000,000 to \$153,000,000 which is approximately the amount required to cover the cost of official penalty mail, franked mail, air-line subsidies, and other costs not properly chargeable to the users of the postal service.

During the calendar year 1949 the Post Office Department handled the largest volume of business in its history. The Department's

estimates for 1950 are based on the theory that practically every phase of its business will continue to increase. This theory is contrary to other current business trends and the committee prefers to hold the budget at lower levels pending developments.

The Postmaster General has authority under the law to render proper service and is authorized to appoint certain employees in sufficient numbers as may be necessary to move the mail, regardless of appropriations. The committee is confident that the Postmaster General is not one to abuse this authority and feels that he will see to it that the mail continues to move expeditiously with full regard to economical administration.

DEPARTMENTAL SERVICES

The committee recommends \$9,565,000 to provide for the services of the Department proper, a reduction of \$352,600 below the estimate and an increase of \$1,077,850 above the amount appropriated for 1949. Practically the entire amount of the increase is due to increased salary rates made by Public Law 900. The Office of the Postmaster General has been allowed enough for operations throughout 1950 on practically the same level as 1949.

The Office of Budget and Administrative Planning has been allowed an increase of three positions in addition to appropriations to allow for the transfer of seven employees from the pay roll of the Bureau of Accounts to this office.

The Office of the First Assistant Postmaster General and the Office of the Second Assistant Postmaster General will operate on practically the same level as in effect at the present time.

The Office of the Third Assistant Postmaster General requested an increase, principally on account of work in the Philatelic Agency. The justifications indicated the number of orders estimated to be received in 1950 to be the same as the division expected to handle in 1949 with the same average value per order. The division showed an increase from 46 employees in 1948 to 58 in 1949 and the committee believes that that number should be sufficient to carry on the work throughout 1950.

The Office of the Fourth Assistant Postmaster General requested an increase of approximately \$35,000 over its base requirements for 1949. The committee has reduced the request by \$27,000, allowing \$900,000, slightly more than the 1949 base.

The Office of the Solicitor and the Office of the Purchasing Agent have been allowed funds to carry them on practically the same level through 1950 as at the present.

The Bureau of Accounts requested 16 additional positions for 1950; The committee saw no justification for this increase and has accordingly recommended \$550,000 for this office, a reduction of \$32,000 in the amount requested.

FIELD SERVICE

OFFICE OF CHIEF INSPECTOR

Appropriation, 1949	-----	\$6, 541, 000
Estimate, 1950	-----	7, 168, 000
Recommended in bill, 1950	-----	7, 080, 000

Under this Office there are four appropriation titles: Salaries for inspectors, miscellaneous expenses of the inspection service, clerks of the inspection service, and the payment of rewards.

For salaries of inspectors, the committee recommends \$4,750,000 which is \$400,000 above the amount already appropriated for 1949 and provides \$36,000 above the total amount that is estimated to be needed to meet the additional cost of Public Law 900.

The committee recommends \$950,000 for miscellaneous expenses for the inspection service, which will allow continuation on practically the same basis as has been provided in 1949.

In recommending \$1,325,000 for salaries of clerks in the inspection service, the committee is allowing sufficient funds to continue through 1950 at the same level as provided in 1949.

In approving the budget estimate of \$55,000 for rewards paid by the inspection service, the committee is continuing the appropriation in the same amount as carried for several years past.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Appropriation, 1949.....	\$1, 148, 586, 750
Estimate, 1950.....	1, 369, 776, 500
Recommended in bill, 1950.....	1, 351, 042, 500

Principal items under this Office are those which pay for salaries of postmasters, assistant postmasters, clerks and carriers, the rural delivery service, and other smaller items in connection with the delivery of the mail.

Salaries of postmasters.—In recommending \$104,000,000 for this purpose, a reduction of \$407,000 below the amount requested, the committee is allowing nearly \$500,000 above the amount that will be required to pay these salaries in 1949. The obligations under this head for the first 6 months for 1949 were \$51,463,000, thus making it apparent that the bill allows the Department a slight increase for the year 1950. There were 41,638 postmasters on the roll as of January 1, 1949, and the Department estimate indicated that there would be 41,730 at the close of the fiscal year 1950.

Assistant postmasters.—In recommending \$15,000,000 for salaries of assistant postmasters at first- and second-class offices, the committee has made a reduction of \$1,485,000 in the amount requested which at the same time allows approximately \$750,000 more than the total estimated requirements for 1949.

Clerks, first- and second-class offices.—The committee recommends \$625,000,000 for salaries of clerks at first- and second-class offices, a reduction of \$10,000,000 in the request. The estimate of postal volume is probably reflected more nearly in direct proportion in this item than in any other appropriation in the bill. The committee, as stated heretofore, is not approving these estimates on the assumption that the volume will forever continue to rise and is desirous of holding down as much as possible in the belief that the amount allowed will be sufficient to carry through 1950, unless there is a further increase in volume.

Contract station service.—The committee recommends \$3,700,000, which is a reduction of \$200,000 in the amount requested and an increase of \$200,000 in the amount available for 1949. The estimates showed 3,871 contract stations for 1949, with 3,921 planned for 1950.

The committee believes that the amount allowed will be ample inasmuch as the Department only expended approximately \$3,000,000 out of the \$3,500,000 appropriated in 1948 and obligated only \$1,651,000, during the first 6 months of 1949, out of a total appropriation of \$3,500,000.

Separating mails.—The committee recommends \$180,000 for this purpose, which is \$8,000 below the amount requested and is the same as approved in 1949. This is paid to the postmasters at fourth-class offices when they are obliged to perform extra duty in separating and dispatching mail going to other post offices.

Clerks, third-class offices.—The committee recommends \$33,000,000 for salaries of clerks for third-class offices. While a considerable increase was requested over the number allowed for 1949, the obligations for the first 6 months for 1949 were \$16,468,000, which make it apparent that the recommended amount will undoubtedly be ample to provide a slight increase in the number of clerks.

Miscellaneous items, first- and second-class offices.—In recommending \$4,500,000 for this purpose, a reduction of \$343,000 in the amount requested, the committee has allowed approximately \$250,000 more than the present estimate of 1949 obligations.

The budget language proposed a new paragraph to pay travel expenses of officials designated to attend conventions or meetings. Inasmuch as the bill contains a paragraph granting authority to use appropriations for travel expenses on official business, the committee believes that the department has ample authority to perform such travel without adding this additional language to the bill. The general provision in section 202 of the post office title of the bill is broad enough to allow such travel to be charged to whatever appropriation is involved.

Village delivery service.—In recommending \$375,000 for this service, a reduction below the estimate of only \$8,000, the committee is allowing the service a slight increase over the total estimated obligations for 1949. Practically the same number of employees were requested for 1950 as are being carried in 1949 and all of the appropriation except about \$5,000 is for personal services.

Carfare and bicycle allowance.—In recommending \$3,250,000 for this purpose the committee has made a reduction of \$250,000 in the amount requested. The obligations under this head for the first 6 months of fiscal year 1949 were \$1,613,000, from which it appears that the amount allowed will probably be sufficient for 1950 even though there are prospective increases in sight due to the rise in streetcar and other fares charged by public utility companies.

City delivery carriers.—The bill provides \$392,000,000 for salaries of city delivery carriers. The President's budget estimated total 1949 obligations for this purpose of \$382,636,000. The amount recommended will provide nearly \$10,000,000 more for this service during the fiscal year 1950 than is estimated by the budget to be needed for the same purpose in 1949. The committee realizes that the expansion of urban areas will require many additional city carriers, a further burden on this appropriation. However, in addition to the increase in actual appropriations the Department estimated that there will be net savings as a result of personnel turn-over amounting to \$3,658,000 occasioned by the retirement of older employees and their replacement by new carriers who, of course, start at a much

lower rate. This service will therefore have approximately \$13,658,000 more, in 1950, with which to provide city delivery service than is available in 1949.

There is a wide discrepancy at the present time in city delivery service, particularly in residential areas, with the deliveries ranging from one to three per day. It is the belief of the committee that the Department should maintain a continuous check of this situation with the idea of effecting every possible economy. The committee is not taking the position that all residential areas should have only one delivery a day; neither is it convinced that three deliveries a day are required in all residential areas now enjoying that service. Mail volume should be the controlling factor in determining that more than one delivery per day is necessary.

Rural delivery service.—In recommending \$153,500,000 for this service the committee has allowed more than twice the amount (\$76,400,000) which has been obligated during the first 6 months of 1949. As in the case of the city delivery service, the amount allowed will provide even a greater increase in funds than indicated by the figures themselves, due to the fact that the Department estimates savings of \$780,000 which will occur as a result of personnel turnover. It is estimated that approximately 1,700 positions will be thus affected in 1950 where the retiring carrier is paid at a much higher rate, due to his long years of service, than will be required to pay the new man taking his place.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Appropriation, 1949.....	\$514, 574, 300
Estimate, 1950.....	507, 480, 400
Recommended in bill, 1950.....	500, 844, 000

Star-route service.—The committee recommends \$30,000,000 for this purpose, a reduction of \$3,475,000 below the estimate and approximately \$2,200,000 in excess of the estimated obligations for the fiscal year 1949. The obligations for the first half of the fiscal year 1949 for this purpose were \$13,600,000, but there will probably be a continued increase in cost for this service for some time, owing to the adjustments in rates authorized by Public Law 669 of the Eightieth Congress, which allows the Postmaster General to renew 4-year contracts for the performance of star-route service and, within the contract period, to readjust compensation of star-route contractors to cover increased costs, or decreases, if there be any, due to changed conditions which were not reasonably foreseeable at the time the contract was made. Experience of the Department to date indicates that the readjustments under this law are resulting in increased costs and that there is no alternative but to recognize this situation and grant those requests for increases which show merit.

Powerboat service.—The committee recommends \$2,250,000 for this service, a reduction below the estimate of \$145,000 and also \$43,000 below the estimated obligations for 1949. Owing to west coast strikes, much of this appropriation for 1949 has not been used to date, and it is therefore extremely difficult to estimate exactly how much will be needed next year as the 1949 operating experience offers very little basis on which to make an accurate estimate.

Railroad and messenger service.—The committee recommends approval of the budget estimate of \$222,708,000 for this service, realizing that it will not be enough to pay the bills that will ultimately be charged to this appropriation if further rate increases are approved. The sum of \$235,881,000 has already been provided for 1949 and on the basis of experience to date, with further rate increases impending, it is impossible to forecast accurately the amount that will eventually be required for this service.

Salaries, railway mail service.—The committee recommends \$128,500,000 for this purpose, which represents a reduction of \$2,064,000 in the amount requested. However, the amount recommended will provide approximately \$1,400,000 more than the total estimated obligations for 1949. As in the case of many salary appropriations, the amount made available will provide more service than at first indicated due to the net savings in personnel turn-over. The Department estimates that there will be 932 positions in the railway mail service turn-over during the year 1950 and approximately \$1,500,000 to be available for extra service as a result of this turn-over where retiring employees at high salary grades are replaced by beginners at lower rates.

Travel allowance, railway mail service.—The committee has consolidated with this appropriation the one previously carried as "Travel expenses." The combined estimate for the two was \$8,308,000 and the bill provides an appropriation of \$8,000,000, a reduction of \$308,000.

Miscellaneous expenses, railway mail service.—The committee recommends \$600,000, a reduction of \$137,000 in the amount requested. There will undoubtedly be some additional costs in connection with this appropriation during the next year, but the obligations for the first 6 months of the fiscal year 1949 have been only \$255,000, which leads the committee to believe that the amount allowed will be more than sufficient for 1950.

Foreign mail transportation.—The committee recommends \$11,500,000 for this purpose, a reduction of \$500,000 in the amount requested. A considerable reduction has been made in this appropriation during the current year and the downward trend will undoubtedly continue in view of the fact that the appropriations for the Economic Cooperation Administration provide for the transportation of thousands of packages in bulk shipment which would have, under previous practice, been charged to this appropriation.

Foreign air-mail service.—The committee recommends approval of the budget estimate, \$45,308,000, which is \$1,617,000 less than the amount that has already been made available for 1949. This is another item where the Department is required to pay for service at rates set by the Civil Aeronautics Board and, with the number of decisions that are yet to be made, it is extremely difficult to make an accurate estimate of the amount that will be required. The committee has, therefore, not felt justified in making a reduction in this estimate.

Domestic air-mail service.—The committee recommends approval of the budget estimate of \$41,753,000 for this service, which is \$5,648,000 below the 1949 appropriation. As in the case of foreign

air-mail service, the same situation applies insofar as undetermined rate decisions are concerned.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Appropriation, 1949.....	\$16,577,000
Estimate, 1950.....	16,961,000
Recommended in bill, 1950.....	15,250,000

The budget estimates for the field service of the Third Assistant Postmaster General total \$16,961,000, against which the committee recommends \$15,250,000. It would appear therefrom that a reduction of \$1,327,000 has been made, but such is not the case inasmuch as the committee decided to shift the appropriation for unpaid money orders from an annual basis to an indefinite basis, which accounts for a reduction in the bill of \$1,300,000. That appropriation relates to the payment of money orders which are over 1 year old. The local office pays any money order presented within 1 year from the date of issue and those which are presented after such date are handled by the Department in Washington.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Appropriation, 1949.....	\$161,860,625
Estimate, 1950.....	167,840,800
Recommended in bill, 1950.....	160,900,000

The functions under this Office have to do with the furnishing of supplies and equipment, rent, fuel, utility services, purchase of vehicles, salaries, supplies, and equipment for the maintenance of buildings. The total estimates for field-service activities under this Office were \$167,840,800, against which the committee has allowed \$160,900,000, a reduction of \$6,940,800 in the estimates and \$960,625 less than the appropriations for 1949. Salaries account for an increase of approximately \$8,000,000, but there are decreases of approximately \$11,000,000 due to the purchase of fewer mail bags and new motor vehicles than were allowed for 1949. Considerable improvement was made during 1949 in the stock of mail bags owned by the Department, which is, of course, reflected in the reduction for 1949.

TITLE III—GOVERNMENT CORPORATIONS

EXPORT-IMPORT BANK OF WASHINGTON

The committee recommends approval of the budget estimate of \$950,000 for administrative expenses of the bank during 1950. This item is not a direct appropriation from the general fund of the Treasury but permits the use of Federal funds invested in the Corporation. The bank is authorized to make loans up to a maximum outstanding at any one time of $3\frac{1}{2}$ billion dollars. Since its organization in 1934 its loan authorizations have totaled \$4,271,000,000 with repayments bringing the outstanding loans to approximately $2\frac{1}{4}$ billion dollars at the present time. A particularly good record has been made insofar as loans in default are concerned, there having been charged off only \$260,000 since 1934, with some prospect of additional recoveries against this loss. The following table gives a summary of the bank's operations for the fiscal year 1948 with the corresponding estimates for 1949 and 1950:

[Millions of dollars]

	1948	1949	1950
Loans outstanding.....	2,236.1	2,258.3	2,444.6
Disbursements on general purpose balance of payments loans.....	404.9	40.5	1.8
Disbursements on project-type loans.....	193.8	229.3	299.5
Total repayments and interest received.....	174.6	314.0	188.8
Net effect on Government budget.....	450.2	-15.2	130.4
Administrative expenses.....	.74	.88	.95
Net profit.....	44.9	50.2	57.0

RECONSTRUCTION FINANCE CORPORATION

The committee recommends \$25,400,000 for administrative expenses, a reduction of \$1,374,000 in the request. The activities of the Corporation have been considerably reduced since the end of the war and it is now operating under authority of Public Law 132 of the Eightieth Congress, as amended by Public Law 548 of the Eightieth Congress, which extended the life of the Corporation to June 30, 1956, but terminated its general lending authorities as of June 30, 1954. The following table shows the program high lights for 1948 with the corresponding estimates for 1949 and 1950:

[Dollars in thousands]

	1948 actual	1949 estimate	1950 estimate
Business loans (including participations, RFC share):			
Disbursements.....	\$112,236	\$135,136	\$126,000
Receipts.....	\$72,863	\$97,282	\$97,066
Outstanding at June 30.....	\$303,418	\$331,284	\$354,000
Guaranteed and insured mortgages:			
Disbursements.....	\$120,031	\$351,000	\$180,000
Receipts.....	\$7,467	\$18,000	\$30,701
Outstanding at June 30.....	\$185,669	\$516,439	\$662,378
All other loans and securities:			
Disbursements.....	\$26,869	\$51,549	\$62,200
Receipts.....	\$67,774	\$64,122	\$55,600
Outstanding at June 30.....	\$633,409	\$653,592	\$655,194
Production and sales of synthetic rubber:			
Tons produced.....	469,000	438,000	394,000
Sales:			
Tons.....	478,000	438,000	394,000
Amount.....	\$199,026	\$201,573	\$174,338
Tin production, purchases and sales:			
Tons produced.....	34,375	35,000	35,000
Tons refined tin purchased.....	49,770	45,000	62,000
Sales:			
Tons.....	60,469	80,000	107,000
Amount.....	\$118,578	\$184,520	\$245,620
Net gain for the year: Lending program.....	\$17,006	\$17,128	\$7,667

In addition to the lending activities of the Corporation, its functions include the production and sale of synthetic rubber, the production, purchase, and sale of refined tin and the liquidation of certain war activities, including the Smaller War Plants Corporation. The follow-

ing table shows the amounts expended for administrative expenses since July 1, 1946:

	Number of employees	Annual rate of expenditure ¹		
		Salaries	Other	Total
July 15, 1946	12, 229	\$47, 436, 291	\$15, 623, 547	\$63, 059, 838
July 1, 1947	7, 711	31, 537, 990	10, 223, 260	41, 761, 250
July 1, 1948	5, 290	22, 191, 550	6, 331, 250	28, 522, 800
July 1, 1949	4, 787	20, 612, 000	5, 805, 000	26, 417, 000
July 1, 1950	4, 648	20, 029, 000	5, 544, 000	25, 573, 000

¹ For purposes of comparability, the pay increase granted by the Corporation comparable to that authorized for other Government agencies by Public Law 900, 80th Cong., is excluded from the total salaries indicated on July 1, 1949, and July 1, 1950.

The committee believes that more rapid reductions should be made in the administrative force than was contemplated by the estimates submitted.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in the bill are recommended:

On page 27, beginning in line 4, under the Coast Guard:

The capital of the Coast Guard supply fund shall be increased by the value of commissary provisions and uniform clothing on hand on July 1, 1949, and thereafter, under regulations prescribed by the Secretary, the Coast Guard supply fund shall be charged with the cost of procurement and credited with the value of provisions consumed or sold, and the value of issues and sales of clothing, such values to be determined on a basis which will not increase the capital of the fund.

COMPLIANCE WITH RULE XIII—CLAUSE 2A

The following is submitted in compliance with clause 2A, of rule XIII:

EXISTING LAW

The Secretary of the Treasury shall fix a reasonable rate of extra compensation for overtime services of inspectors, storekeepers, weighers, and other customs officers and employees who may be required to remain on duty between the hours of five o'clock postmeridian and eight o'clock antemeridian, or on Sundays or holidays to perform services * * * (Feb. 13, 1911, ch. 46, 36 Stat. 901; Feb. 7, 1920, ch. 61, 41 Stat. 402) (19 U. S. C. 267).

IN PENDING BILL

On page 9, line 22, under the Bureau of Customs:

Hereafter overtime compensation of customs officers and employees, as authorized by law, shall be based either on standard or daylight-saving time, whichever is observed where the overtime services are performed.

EXISTING LAW—continued

From the proceeds of sales of old material, condemned stores, supplies, or other public property of any kind, before being deposited into the Treasury, either as miscellaneous receipts on account of "proceeds of Government property" or to the credit of the appropriations to which such proceeds are by law authorized to be made, there may be paid the expenses of such sales, as approved by the General Accounting Office, so as to require only the net proceeds of such sales to be deposited into the Treasury, either as miscellaneous receipts or to the credit of such appropriations, as the case may be (June 8, 1896, ch. 373, 29 Stat. 268; June 10, 1921, ch. 18, 42 Stat. 24) (31 U. S. C. 489).

IN PENDING BILL—continued

On page 18, line 10, under the Bureau of Federal Supply:

That after June 30, 1949, notwithstanding any other provision of law, the proceeds of sale of surplus property by the Bureau of Federal Supply shall be covered into the Treasury as miscellaneous receipts.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1949 AND THE ESTIMATES FOR 1950
PERMANENT INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1949	Estimates, 1950	Increase (+) or decrease (—)
General and special funds:			
Federal control of transportation system-----	\$3, 968	\$4, 000	+ \$32
Loans to railroads after termination of Federal control-----	6, 289	6, 500	+ 211
Payment of interest on deposits of public moneys of Government of Philippine Islands-----	3, 765, 761	3, 100, 000	— 665, 761
Payments from proceeds of sales, motor-propelled vehicles, etc., Treasury Department-----	3, 000	3, 000	-----
Pershing Hall memorial fund-----	5, 083	5, 083	-----
Refund of moneys erroneously received and covered-----	-----	1, 000, 000	+ 1, 000, 000
Payment of certified claims-----	-----	1, 500, 000	+ 1, 500, 000
Refunds and draw-backs, customs-----	-----	16, 000, 000	+ 16, 000, 000
Refunding internal revenue collections-----	2, 770, 000, 000	2, 160, 000, 000	— 610, 000, 000
Interest on the public debt-----	5, 325, 000, 000	5, 450, 000, 000	+ 125, 000, 000
Statutory public-debt retirements-----	666, 881, 189	629, 191, 100	— 37, 690, 089
Total, general and special funds-----	8, 765, 665, 290	8, 260, 809, 683	— 504, 855, 607

Trust funds:

Federal old-age and survivors insurance trust fund-----	1,984,974,000	2,685,893,440	+700,919,440
Unemployment trust fund-----	1,172,467,357	1,202,065,196	+29,597,839
Losses in melting gold-----	111	-----	-111
Payment of unclaimed moneys-----	100,000	100,000	-----
Unclaimed moneys of individuals whose whereabouts are unknown-----	450	450	-----
American Samoa trust fund-----	1,500	1,500	-----
Expenses, Prohibition Act, Puerto Rico and Virgin Islands-----	91,700	85,000	-6,700
Puerto Rico trust fund-----	7,000	7,000	-----
Total, trust funds-----	3,157,642,118	3,888,152,586	+730,510,468

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1949, THE ESTIMATES FOR 1950, AND AMOUNTS RECOMMENDED IN BILL FOR 1950

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—), bill compared with 1949 appropriations	Increase (+) or decrease (—), bill compared with estimates for 1950
OFFICE OF THE SECRETARY OF THE TREASURY					
Salaries.....	\$380, 000	\$800, 000	\$700, 000	+\$320, 000	--\$100, 000
Damage claims.....	30, 000	30, 000	30, 000		
Health-service programs.....	70, 000	100, 000	80, 000	+10, 000	--20, 000
Penalty mail costs.....	5, 900, 000			--5, 900, 000	
Refunds under Renegotiation Act.....	2, 000, 000	2, 000, 000	1, 800, 000	--200, 000	--200, 000
Total, Office of the Secretary.....	8, 380, 000	2, 930, 000	2, 610, 000	--5, 770, 000	--320, 000
Division of Tax Research, salaries.....	125, 000	157, 500	135, 000	+10, 000	--22, 500
OFFICE OF GENERAL COUNSEL					
Salaries.....	250, 000	373, 000	330, 000	+80, 000	--43, 000
Contract settlement, salaries and expenses.....	75, 000	70, 000	70, 000	--5, 000	
Total, Office of General Counsel.....	325, 000	443, 000	400, 000	+75, 000	--43, 000
DIVISION OF PERSONNEL					
Salaries.....	120, 000			--120, 000	

OFFICE OF CHIEF CLERK					
Salaries-----	300, 000				-300, 000
OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS					
Custodial force, salaries-----	645, 000				-645, 000
OFFICE OF ADMINISTRATIVE SERVICES					
Salaries-----		1, 200, 000	1, 100, 000	+1, 100, 000	-100, 000
Miscellaneous expenses-----	240, 000	333, 700	325, 000	+85, 000	-8, 700
Total, Office of Administrative Services-----	240, 000	1, 533, 700	1, 425, 000	+1, 185, 000	-108, 700
FISCAL SERVICE					
BUREAU OF ACCOUNTS					
Salaries and expenses-----	1, 475, 000	1, 640, 000	1, 550, 000	+75, 000	-90, 000
Disbursement, Division of, salaries and expenses-----	10, 000, 000	10, 830, 000	10, 830, 000	+830, 000	-----
Recoinage of silver coins-----	150, 000	150, 000	150, 000	-----	-----
Relief of the indigent, Alaska-----	18, 000	20, 000	20, 000	+2, 000	-----
Government losses in shipment-----		200, 000	100, 000	+100, 000	-100, 000
Refund of moneys erroneously received and covered-----	1, 500, 000	(¹)	(¹)	-1, 500, 000	-----
Payment of certified claims-----	3, 100, 000	(¹)	(¹)	-3, 100, 000	-----
Total, Bureau of Accounts-----	16, 243, 000	12, 840, 000	12, 650, 000	-3, 593, 000	-190, 000

¹ Budget proposes and committee recommends permanent indefinite appropriation.

Comparative statement of the appropriations for 1949, the estimates for 1950, and amounts recommended in bill for 1950—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—) bill compared with 1949 appropriations	Increase (+) or decrease (—) bill compared with estimates for 1950
FISCAL SERVICE—Continued					
BUREAU OF THE PUBLIC DEBT					
Administering the public debt-----	\$52, 000, 000	\$52, 650, 000	\$52, 000, 000	-----	—\$650, 000
Distinctive paper for United States currency	1, 300, 000	1, 461, 250	1, 450, 000	+\$150, 000	—11, 250
Total, Bureau of the Public Debt-----	53, 300, 000	54, 111, 250	53, 450, 000	+150, 000	—661, 250
OFFICE OF THE TREASURER					
Salaries and expenses-----	4, 980, 000	5, 500, 000	5, 450, 000	+470, 000	—50, 000
Contingent expenses, public moneys-----	375, 000	475, 000	450, 000	+75, 000	—25, 000
Total, Office of the Treasurer-----	5, 355, 000	5, 975, 000	5, 900, 000	+545, 000	—75, 000
BUREAU OF CUSTOMS					
Salaries and expenses-----	32, 400, 000	35, 600, 000	35, 000, 000	+2, 600, 000	—600, 000
Revolving fund-----	-----	350, 000	300, 000	+300, 000	—50, 000
Refunds and draw-backs-----	18, 000, 000	(¹)	(¹)	—18, 000, 000	-----
Total, Bureau of Customs-----	50, 400, 000	35, 950, 000	35, 300, 000	—15, 100, 000	—650, 000

BUREAU OF INTERNAL REVENUE				
Salaries and expenses-----	193, 584, 000	232, 768, 000	220, 500, 000	+26, 916, 000
Additional income tax on railroads in Alaska-----	4, 500	10, 000	10, 000	+5, 500
Total, Bureau of Internal Revenue-----	193, 588, 500	232, 778, 000	220, 510, 000	+26, 921, 500
BUREAU OF NARCOTICS				
Salaries and expenses-----	1, 450, 000	1, 560, 000	1, 560, 000	+110, 000
BUREAU OF ENGRAVING AND PRINTING				
Salaries and expenses-----	² 14, 365, 000	17, 000, 000	15, 000, 000	+635, 000
SECRET SERVICE DIVISION				
Salaries and expenses-----	1, 715, 000	2, 000, 000	1, 900, 000	+185, 000
White House Police, salaries and expenses-----	370, 000	370, 000	370, 000	-----
Guard force, salaries and expenses-----	645, 000	710, 400	700, 000	+55, 000
Contributions for annuity benefits-----	84, 600	84, 600	84, 600	-----
Total, Secret Service Division-----	2, 814, 600	3, 165, 000	3, 054, 600	+240, 000
BUREAU OF THE MINT				
Salaries and expenses-----	³ 4, 750, 000	4, 937, 000	4, 800, 000	+50, 000
Transportation of bullion and coin-----	5, 000	5, 000	-----	-5, 000
Total, Bureau of the Mint-----	4, 755, 000	4, 942, 000	4, 800, 000	+45, 000
				-12, 268, 000
				-12, 268, 000
				-100, 000
				-10, 400
				-110, 400
				-137, 000
				-5, 000
				-142, 000

¹ Budget proposes and committee recommends permanent indefinite appropriation.

² Includes \$1,500,000 in the first deficiency bill, 1949.

³ Includes \$250,000 in the first deficiency bill, 1949.

Comparative statement of the appropriations for 1949, the estimates for 1950, and amounts recommended in bill for 1950—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—), bill compared with 1949 appropriations	Increase (+) or decrease (—), bill compared with estimates for 1950
FISCAL SERVICE—Continued					
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses-----	\$1, 275, 000	\$1, 800, 000	\$1, 450, 000. 00	+\$175, 000. 00	—\$350, 000. 00
General supply fund-----	1, 500, 000	4, 000, 000	479, 803. 93	—1, 020, 196. 07	—3, 520, 196. 07
Printing and binding-----	170, 000		-----	—170, 000. 00	-----
Net renegotiation rebates-----	125, 000	242, 000	125, 000. 00	-----	—117, 000. 00
Strategic and critical materials-----	⁴ 300, 000, 000	⁵ 564, 000, 000	⁶ 525, 000, 000. 00	+ 225, 000, 000. 00	—39, 000, 000. 00
Total, Bureau of Federal Supply-----	303, 070, 000	570, 042, 000	527, 054, 803. 93	+ 223, 984, 803. 93	—42, 987, 196. 07
COAST GUARD					
Office of the Commandant, salaries-----	2, 260, 784	2, 500, 000	2, 500, 000. 00	+ 239, 216. 00	-----
Pay and allowances-----	71, 295, 154	77, 445, 000	74, 500, 000. 00	+ 3, 204, 846. 00	—2, 945, 000. 00
Retired pay-----	12, 000, 000	13, 134, 000	13, 134, 000. 00	+ 1, 134, 000. 00	-----
General expenses-----	39, 225, 070	39, 988, 000	39, 225, 000. 00	—70. 00	—763, 000. 00
Civilian employees-----	4, 218, 992	4, 500, 000	4, 400, 000. 00	+ 181, 008. 00	—100, 000. 00

Acquisitions, construction, and improvements-----	11, 438, 755	12, 000, 000	10, 000, 000. 00	-1, 438, 755. 00	-2, 000, 000. 00
Total, Coast Guard-----	140, 438, 755	149, 567, 000	143, 759, 000. 00	+3, 320, 245. 00	-5, 808, 000. 00
Total, Treasury Department, title I, regular annual appropriations-----	795, 914, 855	1, 092, 994, 450	1, 027, 608, 403. 93	+231, 693, 548. 93	-65, 386, 046. 07

⁴ In addition, \$300,000,000 contract authorization.⁵ In addition, \$211,000,000 contract authorization.⁶ In addition, \$250,000,000 contract authorization.

TITLE II—POST OFFICE DEPARTMENT

Appropriation title	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (-), bill compared with 1949 appropriations	Increase (+) or decrease (-), bill compared with estimates for 1950
DEPARTMENTAL SERVICE					
Salaries:					
Office of the Postmaster General-----	\$395, 000	\$437, 100	\$435, 000	+\$40, 000	-\$2, 100
Office of Budget and Administrative Planning-----	65, 000	132, 300	125, 000	+60, 000	-7, 300
Office of the First Assistant Postmaster General-----	1, 162, 500	1, 297, 000	1, 290, 000	+127, 500	-7, 000
Office of the Second Assistant Postmaster General-----	1, 135, 500	1, 269, 000	1, 250, 000	+114, 500	-19, 000
Office of the Third Assistant Postmaster General-----	1, 350, 000	1, 549, 000	1, 485, 000	+135, 000	-64, 000

Comparative statement of the appropriations for 1949, the estimates for 1950, and amounts recommended in bill for 1950—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Appropriation title	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—) bill compared with 1949 appropriations	Increase (+) or decrease (—) bill compared with estimates for 1950
DEPARTMENTAL SERVICE—Continued					
Salaries—Continued					
Office of the Fourth Assistant Postmaster General-----	\$823, 000	\$927, 000	\$900, 000	+\$77, 000	—\$27, 000
Office of the Solicitor-----	275, 000	310, 900	300, 000	+25, 000	—10, 900
Office of the Chief Inspector-----	405, 000	446, 900	435, 000	+30, 000	—11, 900
Office of the Purchasing Agent-----	85, 000	101, 400	95, 000	+10, 000	—6, 400
Bureau of Accounts-----	505, 000	582, 000	550, 000	+45, 000	—32, 000
Total salaries-----	6, 201, 000	7, 052, 600	6, 865, 000	+664, 000	—187, 600
Contingent expenses-----	172, 150	2, 865, 000	2, 700, 000	+2, 527, 850	—165, 000
Printing and binding-----	2, 114, 000	-----	-----	—2, 114, 000	-----
Total departmental service-----	8, 487, 150	9, 917, 600	9, 565, 000	+1, 077, 850	—352, 600
FIELD SERVICE					
OFFICE OF THE POSTMASTER GENERAL					
Travel and miscellaneous expenses-----	3, 000	3, 000	3, 000	-----	-----

Damage claims-----	1 600, 000	450, 000	450, 000	-150, 000	-----
Adjusted losses-----	75, 000	75, 000	75, 000	-----	-----
Total, Office of the Postmaster General-----	678, 000	528, 000	528, 000	-150, 000	-----
OFFICE OF THE CHIEF INSPECTOR					
Inspectors-----	4, 350, 000	4, 810, 000	4, 750, 000	+400, 000	-60, 000
Miscellaneous expenses, inspection service-----	958, 000	964, 000	950, 000	-8, 000	-14, 000
Clerks, inspection service-----	1, 178, 000	1, 339, 000	1, 325, 000	+147, 000	-14, 000
Rewards-----	55, 000	55, 000	55, 000	-----	-----
Total, Office of the Chief Inspector-----	6, 541, 000	7, 168, 000	7, 080, 000	+539, 000	-88, 000
OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL					
Postmasters-----	87, 900, 000	104, 407, 000	104, 000, 000	+16, 100, 000	-407, 000
Assistant postmasters-----	12, 600, 000	16, 485, 000	15, 000, 000	+2, 400, 000	-1, 485, 000
Clerks, first- and second-class offices-----	530, 000, 000	635, 000, 000	625, 000, 000	+95, 000, 000	-10, 000, 000
Contract station service-----	3, 500, 000	3, 900, 000	3, 700, 000	+200, 000	-200, 000
Separating mails-----	180, 000	188, 000	180, 000	-----	-8, 000
Unusual conditions-----	25, 000	30, 000	25, 000	-----	-5, 000
Clerks, third-class offices-----	25, 500, 000	34, 000, 000	33, 000, 000	+7, 500, 000	-1, 000, 000
Miscellaneous items, first- and second-class offices-----	3, 850, 000	4, 843, 000	4, 500, 000	+650, 000	-343, 000

¹ Includes \$250,000 in first deficiency bill, 1949.

Comparative statement of the appropriations for 1949, the estimates for 1950, and amounts recommended in bill for 1950—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Appropriation title	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—) bill compared with 1949 appropriations	Increase (+) or decrease (—) bill compared with estimates for 1950
FIELD SERVICE—Continued					
OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL—continued					
Village delivery service-----	\$300, 000	\$383, 000	\$375, 000	+ \$75, 000	— \$8, 000
Detroit River service-----	12, 750	12, 500	12, 500	— 250	-----
Carfare and bicycle allowance-----	2, 900, 000	3, 500, 000	3, 250, 000	+ 350, 000	— 250, 000
City delivery carriers-----	326, 000, 000	395, 000, 000	392, 000, 000	+ 66, 000, 000	— 3, 000, 000
Special delivery service-----	16, 000, 000	17, 600, 000	16, 500, 000	+ 500, 000	— 1, 100, 000
Rural delivery service-----	139, 819, 000	154, 428, 000	153, 500, 000	+ 13, 681, 000	— 928, 000
Total, Office of the First Assistant-----	1, 148, 586, 750	1, 369, 776, 500	1, 351, 042, 500	+ 202, 455, 750	— 18, 734, 000
OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL					
Star route service-----	25, 501, 000	33, 475, 000	30, 000, 000	+ 4, 499, 000	— 3, 475, 000
Powerboat service-----	2, 133, 000	2, 395, 000	2, 250, 000	+ 117, 000	— 145, 000
Railroad and messenger service-----	² 235, 881, 000	222, 708, 000	222, 708, 000	— 13, 173, 000	-----

Salaries, railway mail service-----	109, 188, 000	130, 564, 000	128, 500, 000	+ 19, 312, 000	- 2, 064, 000
Travel allowance, railway mail service-----	³ 7, 964, 000	8, 208, 000	8, 000, 000	+ 36, 000	- 208, 000
Travel expenses, railway mail service-----	⁴ 72, 600	100, 000	-----	- 72, 600	- 100, 000
Miscellaneous expenses, railway mail service-----	490, 000	737, 000	600, 000	+ 110, 000	- 137, 000
Electric car service-----	220, 000	177, 400	175, 000	- 45, 000	- 2, 400
Foreign mail transportation-----	⁴ 23, 756, 200	12, 000, 000	11, 500, 000	- 12, 256, 200	- 500, 000
Amounts due foreign countries-----	15, 000, 000	10, 000, 000	10, 000, 000	- 5, 000, 000	-----
Indemnities, international mail-----	42, 500	55, 000	50, 000	+ 7, 500	- 5, 000
Foreign air-mail service-----	⁵ 46, 925, 000	45, 308, 000	45, 308, 000	- 1, 617, 000	-----
Domestic air-mail service-----	47, 401, 000	41, 753, 000	41, 753, 000	- 5, 648, 000	-----
Total, Office of the Second Assistant-----	514, 574, 300	507, 480, 400	500, 844, 000	- 13, 730, 300	- 6, 636, 400
OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL					
Stamps and stamped paper-----	11, 171, 000	11, 400, 000	11, 000, 000	- 171, 000	- 400, 000
Indemnities, domestic mail-----	4, 106, 000	4, 261, 000	4, 250, 000	+ 144, 000	- 11, 000
Unpaid money orders-----	1, 300, 000	1, 300, 000	-----	- 1, 300, 000	- 1, 300, 000
Total, Office of the Third Assistant-----	16, 577, 000	16, 961, 000	15, 250, 000	- 1, 327, 000	- 1, 711, 000

² Includes \$70,000,000 in first deficiency bill, 1949.³ Includes \$2,727,000 in first deficiency bill, 1949.⁴ Includes administrative transfer of \$6,600 from "Foreign mail transportation" to "Travel expenses, railway mail service."⁵ Includes \$17,000,000 in first deficiency bill, 1949.

Comparative statement of the appropriations for 1949, the estimates for 1950, and amounts recommended in bill for 1950—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Appropriation title	Appropriations for 1949	Budget estimates for 1950	Recommended in bill for 1950	Increase (+) or decrease (—), bill compared with 1949 appropriations	Increase (+) or decrease (—), bill compared with estimates for 1950
FIELD SERVICE—Continued					
OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL					
Supplies and equipment-----	\$10,658,000	\$11,550,000	\$11,000,000	+\$342,000	—\$550,000
Equipment shops-----	25,853,625	20,169,000	19,000,000	—6,853,625	—1,169,000
Rent, fuel, and utility services-----	14,750,000	17,580,000	16,800,000	+2,050,000	—780,000
Pneumatic tube service-----	740,000	820,200	775,000	+35,000	—45,200
Vehicle service-----	* 55,457,000	53,418,000	51,000,000	—4,457,000	—2,418,000
Transportation of equipment and supplies--	1,000,000	930,600	900,000	—100,000	—30,600
Salaries, custodial service--	44,600,000	53,600,000	52,300,000	+7,700,000	—1,300,000
Supplies, public buildings-----	7,320,000	8,523,000	8,000,000	+680,000	—523,000

Equipment, public buildings-----	1, 482, 000	1, 250, 000	1, 125, 000	-357, 000	-125, 000
Total, Office of the Fourth Assistant--	161, 860, 625	167, 840, 800	160, 900, 000	-960, 625	-6, 940, 800
Total field service-----	1, 848, 817, 675	2, 069, 754, 700	2, 035, 644, 500	+186, 826, 825	-34, 110, 200
Total departmental and field service--	1, 857, 304, 825	2, 079, 672, 300	2, 045, 209, 500	+187, 904, 675	-34, 462, 800
Grand total, titles I and II, Treasury and Post Office Departments-----	2, 653, 219, 680	3, 172, 666, 750	3, 072, 817, 903. 93	+419, 598, 223. 93	-99, 848, 846. 07

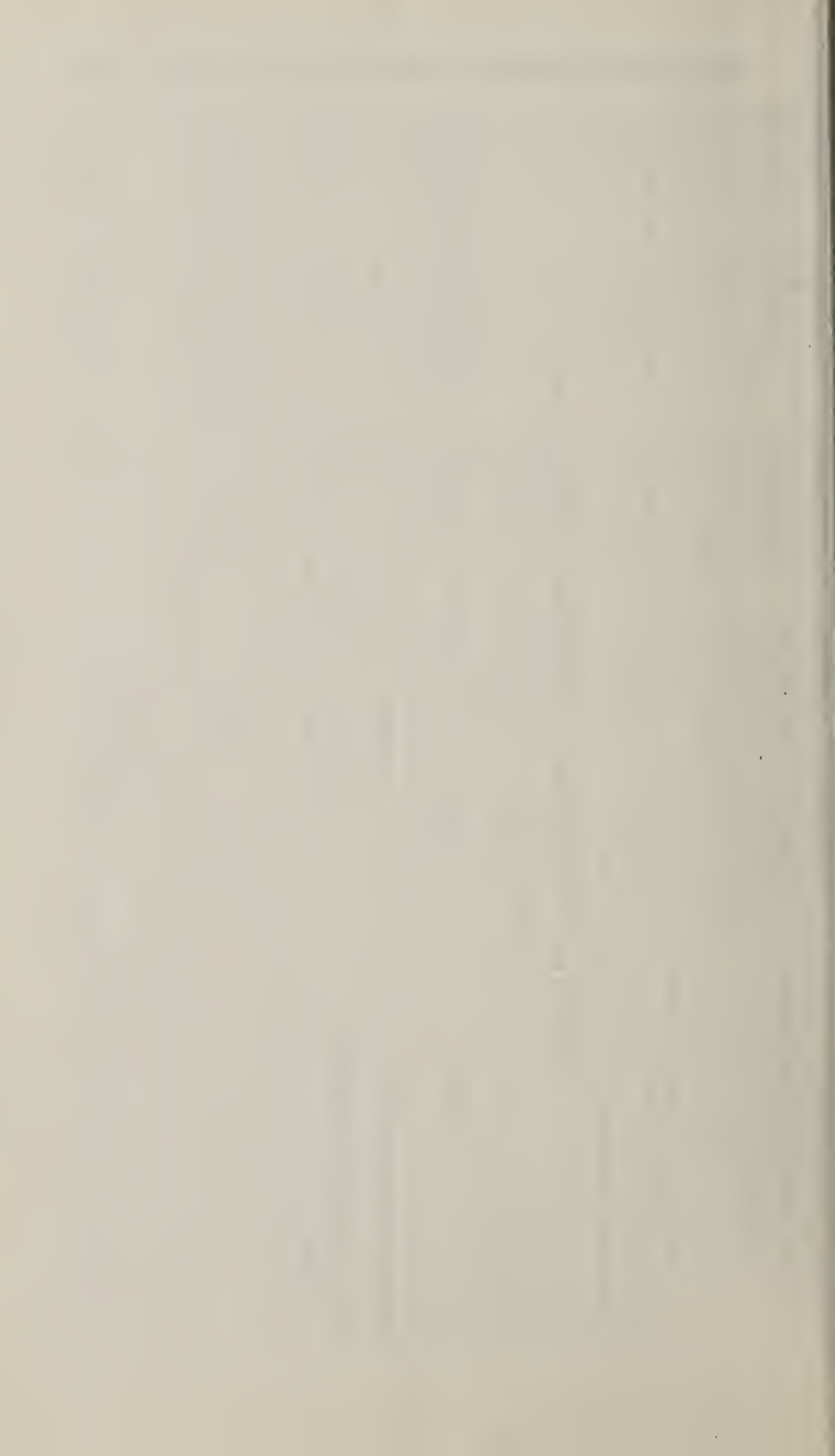
* Includes \$13,000,000 in first deficiency bill, 1949.

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitations on amounts of corporate funds to be expended]

Corporation	1949 authorizations	Budget estimates, 1950	Recommended in bill, 1950	Increase (+) or decrease (-), bill compared with 1949 authorizations	Increase (+) or decrease (-), bill compared with esti- mates for 1950
Export-Import Bank of Washington-----	\$800, 000	\$950, 000	\$950, 000	+\$150, 000	-----
Reconstruction Finance Corporation-----	24, 796, 000	26, 774, 000	25, 400, 000	+604, 000	-\$1, 374, 000
Total-----	25, 596, 000	27, 724, 000	26, 350, 000	+754, 000	-1, 374, 000

O



Union Calendar No. 52

81ST CONGRESS
1ST SESSION

H. R. 3083

[Report No. 168]

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1949

Mr. GARY, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury

1 Department for the fiscal year ending June 30, 1950,
2 namely:

3 OFFICE OF THE SECRETARY

4 SALARIES

5 For personal services in the District of Columbia,
6 \$700,000.

7 DAMAGE CLAIMS

8 For payment of claims pursuant to law (28 U. S. C.
9 2672), \$30,000.

10 HEALTH SERVICE PROGRAMS

11 For health service programs, as authorized by law, in
12 the District of Columbia, \$80,000: *Provided*, That other
13 appropriations in this title shall be available for such pro-
14 grams in the field.

15 REFUNDS UNDER RENEGOTIATION ACT

16 For refunds under section 403 (a) (4) (D) (relat-
17 ing to the recomputation of the amortization deduction) and
18 by the last sentence of section 403 (i) (3) (relating to
19 excess inventories) of the Renegotiation Act; and to refund
20 any amount finally adjudged or determined to have been
21 erroneously collected by the United States pursuant to a
22 unilateral determination of excessive profits, with interest
23 thereon (at a rate not to exceed 4 per centum per annum)
24 as may be determined by the War Contracts Price Adjust-

1 ment Board, computed to the date of certification to the
 2 Treasury Department for payment; \$1,800,000: *Provided*,
 3 That to the extent refunds are made from this appropriation
 4 of excessive profits collected under the Renegotiation Act
 5 and retained by the Reconstruction Finance Corporation
 6 or any of its subsidiaries, the Reconstruction Finance Cor-
 7 poration or the appropriate subsidiary shall reimburse this
 8 appropriation: *Provided further*, That refunds made here-
 9 under shall be based solely on the certificate of the War
 10 Contracts Price Adjustment Board or its duly authorized
 11 representatives.

12 DIVISION OF TAX RESEARCH

13 SALARIES

14 For personal services in the District of Columbia,
 15 \$135,000.

16 OFFICE OF GENERAL COUNSEL

17 SALARIES

18 For personal services in the District of Columbia,
 19 \$330,000.

20 SALARIES AND EXPENSES, OFFICE OF CONTRACT

21 SETTLEMENT

22 For expenses necessary to carry out the provisions of
 23 the Contract Settlement Act of 1944, including contract
 24 stenographic reporting services, \$70,000.

1 OFFICE OF ADMINISTRATIVE SERVICES

2 SALARIES

3 For personal services in the District of Columbia, in-
4 cluding the operating force of the Treasury, Liberty Loan,
5 and Auditors' buildings, and annexes thereof, \$1,100,000.

6 MISCELLANEOUS EXPENSES

7 For necessary expenses of bureaus and offices of the
8 Treasury Department, not otherwise provided for, including
9 operation of the Treasury, Auditors', and Liberty Loan build-
10 ings and annexes thereof, printing and binding and purchase
11 of materials for the use of the bookbinder located in the
12 Treasury Department; \$325,000.

13 FISCAL SERVICE

14 BUREAU OF ACCOUNTS

15 SALARIES AND EXPENSES

16 For necessary expenses in the District of Columbia,
17 including contract stenographic reporting services and print-
18 ing and binding, \$1,550,000: *Provided*, That Federal
19 Reserve banks and branches may be reimbursed for printing
20 and binding and other necessary expenses incident to the
21 deposit of withheld taxes in Government depositories pur-
22 suant to the Current Tax Payment Act of 1943.

23 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

24 For necessary expenses of the Division of Disbursement,
25 including personal services in the District of Columbia, and

1 printing and binding, \$10,830,000: *Provided*, That with
2 the approval of the Bureau of the Budget there may be
3 transferred or advanced to this appropriation from Railroad
4 Retirement Board, "Conservation and use of agricultural
5 land resources, Department of Agriculture", and from avail-
6 able corporate funds of Government owned or controlled
7 corporations, such sums as may be necessary to cover the
8 expense incurred in performing the function of disbursement
9 therefor.

10 RECOINAGE OF SILVER COINS

11 For reimbursement of the Treasurer of the United States
12 for the difference between the face value of subsidiary silver
13 coins of the United States and the amount the same will
14 produce in new coins, \$150,000.

15 RELIEF OF THE INDIGENT, ALASKA

16 For relief of persons in Alaska (not to exceed 10 per
17 centum of the receipts from licenses collected outside of
18 incorporated towns in Alaska), as authorized by law (48
19 U. S. C. 41), \$20,000.

20 GOVERNMENT LOSSES IN SHIPMENT

21 Fund for payment of Government losses in shipment
22 (revolving fund) : For the payment of losses in accordance
23 with provisions of the Government Losses in Shipment Act,
24 approved July 8, 1937 (50 Stat. 479-484), as amended,
25 \$100,000.

1 REFUND OF MONEYS ERRONEOUSLY RECEIVED AND
2 COVERED

3 For meeting any expenditures of the character formerly
4 chargeable to the appropriation accounts abolished under
5 section 18 of the Permanent Appropriation Repeal Act of
6 1934 (31 U. S. C. 725q), and any other collections erro-
7 neously received and covered which are not properly charge-
8 able to any other appropriation, such amounts as hereafter
9 may be necessary.

10 PAYMENT OF CERTIFIED CLAIMS

11 For payment of claims (not to exceed \$500 in any case)
12 which may be certified by the Comptroller General of the
13 United States to be within the limits of, and chargeable
14 against the balances of the respective appropriations which,
15 after remaining unexpended, have been carried to the sur-
16 plus fund, such amounts as hereafter may be necessary.

17 PAYMENTS OF UNCLAIMED MONEYS

18 For meeting any expenditures of the character formerly
19 chargeable to the appropriation accounts abolished under
20 section 17 of the Permanent Appropriation Repeal Act
21 of 1934 (31 U. S. C. 725p), payable from the trust fund
22 receipt account "Unclaimed moneys of individuals whose
23 whereabouts are unknown", such amounts as hereafter may
24 be necessary.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed \$4,415,000 for promoting the sale of savings bonds, \$52,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)): *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

DISTINCTIVE PAPER FOR UNITED STATES CURRENCY

For expenses necessary for distinctive paper for United States currency, including personal services and allowance,

1 in lieu of expenses, not to exceed \$50 per month each when
 2 actually on duty, of officers detailed from the Treasury
 3 Department, \$1,450,000: *Provided*, That in order to foster
 4 competition in the manufacture of distinctive paper for United
 5 States securities, the Secretary of the Treasury is authorized,
 6 in his discretion, to split the award for such paper for the
 7 current fiscal year between the two bidders whose prices
 8 per pound are the lowest received after advertisement.

9 OFFICE OF THE TREASURER

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Treasurer,
 12 including printing and binding, \$5,450,000: *Provided*, That
 13 with the approval of the Bureau of the Budget, there may be
 14 transferred or advanced to this appropriation, from Railroad
 15 Retirement Board, "Conservation and use of agricultural
 16 land resources, Department of Agriculture," and from avail-
 17 able corporate funds of Government owned or controlled cor-
 18 porations, such sums as may be necessary to cover the
 19 expenses incurred in the clearing of checks, servicing of
 20 bonds, handling of collections, and rendering of accounts
 21 therefor.

22 CONTINGENT EXPENSES, PUBLIC MONEYS

23 For the collection, safekeeping, transfer, and disburse-
 24 ment of the public money and securities of the United
 25 States, \$450,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan Numbered III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; not to exceed \$500 for newspapers; not to exceed \$100,000 for stationery; not to exceed \$12,000 for maintenance and improvement of buildings and sites, acquired under the Act of June 26, 1930 (19 U. S. C. 68) ; printing and binding; purchase of one hundred passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; not to exceed \$1,000,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525) ; \$35,000,000.

Hereafter overtime compensation of customs officers and employees, as authorized by law, shall be based either on

1 standard or daylight saving time, whichever is observed
2 where the overtime services are performed.

3 REVOLVING FUND, BUREAU OF CUSTOMS

4 For establishing a revolving fund which shall be avail-
5 able, without fiscal year limitation exclusively for transfer to
6 the appropriation for collecting the revenue from customs to
7 cover obligations of the Bureau of Customs arising from
8 authorized reimbursable services, pending reimbursement
9 from parties in interest, \$300,000: *Provided*, That amounts
10 so transferred shall be returned to the revolving fund not
11 later than six months after the close of the fiscal year in
12 which transferred.

13 REFUNDS AND DRAW-BACKS

14 For refund or payment of customs collections or receipts,
15 and payment of debentures or draw-backs, bounties, and
16 allowances, as authorized by law, such amounts as hereafter
17 may be necessary.

18 BUREAU OF INTERNAL REVENUE

19 SALARIES AND EXPENSES

20 For necessary expenses in assessment and collection of
21 internal-revenue taxes; administration of the internal-revenue
22 laws; discharge of functions imposed upon the Commis-
23 sioner of Internal Revenue by or pursuant to other laws;
24 investigations concerning the enrollment or disbarment of
25 practitioners before the Treasury Department in internal-

1 revenue matters; and acquisition, operation, maintenance,
2 and repair of property under title III of the Liquor Law
3 Repeal and Enforcement Act (40 U. S. C. 304f-m), in-
4 cluding \$198,400,000 for personal services, of which not
5 to exceed \$17,509,000 shall be available for personal serv-
6 ices in the District of Columbia; expenses, when specifically
7 authorized by the Commissioner, of attendance at meetings
8 of organizations concerned with internal-revenue matters;
9 purchase (not to exceed one hundred and eighty-four for
10 replacement only) and hire of passenger motor vehicles;
11 printing and binding; examination of estimates of appro-
12 priations in the field; services as authorized by section 15
13 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
14 expert witnesses at such rates as may be determined by the
15 Commissioner of Internal Revenue; not to exceed \$1,500,000
16 for stationery; expenses of seizure, custody, and disposal of
17 property; purchase of chemical analyses and expenses of
18 testimony thereon; ammunition; securing of information and
19 evidence; and not to exceed \$500,000 for detecting and
20 bringing to trial persons guilty of violating the internal-
21 revenue laws or conniving at the same, as authorized by
22 law (26 U. S. C. 3792) ; \$220,500,000.

23 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

24 For the payment to the Treasurer of Alaska of an amount
25 equal to the tax of 1 per centum collected on the gross annual

1 income of all railroad corporations doing business in Alaska,
2 on business done in Alaska, which tax is in addition to the
3 normal income tax collected from such corporations on net
4 income, the amount of such additional tax to be applicable
5 to general Territorial purposes, \$10,000.

6 BUREAU OF NARCOTICS

7 SALARIES AND EXPENSES

8 For expenses necessary to enforce sections 2550-2565;
9 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the
10 Internal Revenue Code; the Narcotic Drugs Import and
11 Export Act, as amended (21 U. S. C. 171-184) ; the Act of
12 June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-
13 198) and the Opium Poppy Control Act of 1942 (21 U. S.
14 C. 188-188n), including personal services in the District
15 of Columbia; printing and binding; services as authorized
16 by section 15 of the Act of August 2, 1946 (5 U. S. C.
17 55a) ; purchase of chemical analyses and testimony thereon;
18 expenses of seizure, custody, and disposal of property; hire
19 of passenger motor vehicles; arms and ammunition; not to
20 exceed \$10,000 for the collection and dissemination of infor-
21 mation and appeal for law observance and law enforcement,
22 including cost of printing; securing of information and
23 evidence; and not to exceed \$10,000 for services or infor-
24 mation looking toward the apprehension of narcotic law vio-
25 lators who are fugitives from justice; \$1,560,000.

BUREAU OF ENGRAVING AND PRINTING

SALARIES AND EXPENSES

For expenses necessary for engraving and printing (exclusive of repay work), United States currency and internal-revenue stamps, opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, including the Director, two Assistant Directors, and other personal services in the District of Columbia; wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, such rates not to exceed those usually paid for such work; engravers', printers', and other materials, including distinctive and nondistinctive paper not otherwise specifically provided for; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; not to exceed \$500 for periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference; not to exceed \$1,500 for travel; printing and binding; and not to exceed \$15,000 for transfer to the Bureau of Standards for scientific investigations; \$15,000,000: *Provided*, That during the current fiscal year proceeds derived from work performed by direction of the Secretary of the Treasury but not covered in this appropriation, instead of

1 being covered into the Treasury as miscellaneous receipts as
2 provided by the Act of August 4, 1886 (31 U. S. C. 176),
3 shall be credited to this appropriation.

4 SECRET SERVICE DIVISION

5 SALARIES AND EXPENSES

6 For expenses necessary in detecting, arresting, and
7 delivering into other custody dealers and pretended dealers in
8 counterfeit money, persons engaged in counterfeiting, forg-
9 ing, and altering United States notes, bonds, national bank
10 notes, Federal Reserve notes, Federal Reserve bank notes,
11 and other obligations and securities of the United States and
12 of foreign governments (including endorsements thereon and
13 assignments thereof), as well as the coins of the United
14 States and of foreign governments, and persons committing
15 other crimes against the laws of the United States relating
16 to the Treasury Department and the several branches of the
17 public service under its control, and for the protection of
18 the person of the President and the members of his immediate
19 family and of the person chosen to be President of the United
20 States, including personal services in the District of Co-
21 lumbia; purchase (not to exceed fifteen) and hire of passen-
22 ger motor vehicles; printing and binding; arms and ammuni-
23 tion; and not to exceed \$15,000, with the approval of the
24 Chief of the Secret Service, for services or information look-
25 ing toward the apprehension of criminals; \$1,900,000.

1 SALARIES AND EXPENSES, WHITE HOUSE POLICE

2 For necessary expenses, including personal services, uni-
3 forms and equipment, and arms and ammunition, purchases
4 to be made in such manner as the President may determine,
5 \$370,000.

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
8 Department buildings in the District of Columbia, includ-
9 ing the Bureau of Engraving and Printing, and elsewhere,
10 including purchase, repair, and cleaning of uniforms; arms
11 and ammunition; \$700,000: *Provided*, That not to exceed
12 \$193,015 of the appropriation "Salaries and expenses, Bu-
13 reau of Engraving and Printing", may be advanced to this
14 appropriation to cover service rendered such Bureau which
15 is not covered in the direct appropriations for such Bureau:
16 *Provided further*, That the Secetary of the Treasury may
17 detail two agents of the Secret Service to supervise such
18 force.

19 CONTRIBUTION FOR ANNUITY BENEFITS

20 For reimbursement to the District of Columbia on a
21 monthly basis for benefit payments made from the revenues of
22 the District of Columbia to members of the White House
23 Police force and such members of the United States Secret
24 Service Division as are entitled thereto under the Act of Octo-
25 ber 14, 1940 (54 Stat. 1118), to the extent that such benefit

1 payments are in excess of the salary deductions of such mem-
2 bers credited to said revenues of the District of Columbia
3 during the current fiscal year, pursuant to section 12 of the
4 Act of September 1, 1916 (39 Stat. 718), as amended,
5 \$84,600.

6 BUREAU OF THE MINT

7 SALARIES AND EXPENSES

8 For necessary expenses at the mints at Philadelphia,
9 Pennsylvania, San Francisco, California, and Denver,
10 Colorado; the assay offices at New York, New York, and
11 Seattle, Washington; the bullion depositories at Fort Knox,
12 Kentucky, and West Point, New York; and the Office of the
13 Director of the Mint, and for carrying out the provisions of
14 the Gold Reserve Act of 1934 and the Silver Purchase Act
15 of 1934, including personal services in the District of Colum-
16 bia, printing and binding, arms and ammunition, purchase
17 and maintenance of uniforms and accessories for guards, cases
18 and enameling for medals manufactured, net wastage in
19 melting and refining and in coining departments, loss on sale
20 of sweeps arising from the treatment of bullion and the manu-
21 facture of coins, not to exceed \$1,000 for the expenses of the
22 annual assay commission, and not to exceed \$1,000
23 for acquisition, at the dollar face amount or otherwise,
24 of specimen and rare coins, including United States and
25 foreign gold coins and pieces of gold used as, or in lieu of,

1 money, and ores, for addition to the Government's collection;
2 \$4,800,000.

3 BUREAU OF FEDERAL SUPPLY

4 SALARIES AND EXPENSES

5 For necessary expenses, including personal services in
6 the District of Columbia, printing and binding, services as
7 authorized by section 15 of the Act of August 2, 1946
8 (5 U. S. C. 55a), and attendance at meetings of organiza-
9 tions of concern to the work of the Bureau, \$1,450,000:
10 *Provided*, That the general supply fund shall be available
11 for (1) procurement for non-Federal agencies for which a
12 Federal agency is authorized to procure; (2) purchase from
13 or through the Public Printer of standard forms and blank-
14 book work for field warehouse stocking and issue, such issues
15 to be chargeable to applicable appropriations and to be
16 reported as the Public Printer may require; (3) printing
17 and binding, purchase of ten passenger motor vehicles for
18 replacement only, and attendance at meetings of organiza-
19 tions of concern to the operation of the general supply fund;
20 and (4) reconditioning and repair of supplies for Govern-
21 ment service: *Provided further*, That payments to the gen-
22 eral supply fund may be made (1) in advance; (2) by
23 transfer and counter warrants based on itemized invoices at
24 issue prices fixed by the Director; and (3) by vouchers

1 certified by the requisitioning agency on the basis of the
2 Bureau's billing, subject to later adjustment if necessary, and
3 in such cases the certifying officer shall be responsible only
4 for the availability of the funds charged: *Provided further,*
5 That when functions are transferred to the Bureau of Fed-
6 eral Supply, transfers may be made from applicable appro-
7 priations or funds to the Bureau of Federal Supply of
8 amounts approved by the Bureau of the Budget as neces-
9 sary for the proper performance of the functions transferred,
10 including personal services: *Provided further,* That after
11 June 30, 1949, notwithstanding any other provision of law,
12 the proceeds of sale of surplus property by the Bureau of
13 Federal Supply shall be covered into the Treasury as miscel-
14 laneous receipts.

15 During the current fiscal year, no part of any money
16 appropriated in this or any other Act shall be used during
17 any quarter of such fiscal year to purchase typewriting
18 machines (except bookkeeping and billing machines) at
19 a price which exceeds 90 per centum of the lowest net
20 cash price, plus applicable Federal excise taxes, accorded
21 the most-favored customer (other than the Government, the
22 American National Red Cross, and the purchasers of type-
23 writing machines for educational purposes only) of the
24 manufacturer of such machines during the six-month period
25 immediately preceding such quarter.

1 No part of any money appropriated by this or any
2 other Act for any agency of the executive branch of the
3 Government (which shall include all departments, inde-
4 pendent establishments, and wholly owned Government
5 corporations) shall be used during the current fiscal year
6 for the purchase within the continental limits of the United
7 States of any typewriting machines (except typewriting
8 machines for veterans under public laws administered by
9 the Veterans' Administration) unless the Director of the
10 Bureau of Federal Supply certifies that he is unable to fur-
11 nish such agency with suitable typewriting machines out
12 of stock on hand. The Director of the Bureau of Federal
13 Supply is authorized and directed at such times as he may
14 determine to be necessary to survey and determine the
15 numbers and kinds of typewriting machines located in the
16 continental limits of the United States which are at any
17 time surplus to the requirements of any agency in the
18 executive branch of the Government (which shall include
19 all departments, independent establishments, and wholly
20 owned Government corporations). Upon such determina-
21 tion, the Director of the Bureau of Federal Supply is
22 authorized to direct, upon such notice and in such manner
23 as he may prescribe, the head of any such agency to sur-
24 render to the Bureau of Federal Supply any and all type-
25 writing machines surplus to its requirements, the costs of

1 packing, shipping, and handling thereof to be charged to
2 the general supply fund. Each such agency shall furnish
3 the Director of the Bureau of Federal Supply such informa-
4 tion regarding typewriting machines, wherever located, as
5 he may from time to time request. The Bureau of Federal
6 Supply is authorized and directed to receive, hold, sell,
7 exchange, or supply to any branch of the Government,
8 including the District of Columbia, typewriting machines
9 surrendered to it hereunder. The Director of the Bureau
10 of Federal Supply is authorized to charge each agency to
11 which typewriting machines are supplied hereunder amounts
12 equal to the fair value thereof, as determined by him, and
13 such amounts shall be credited to the general supply fund.

14 GENERAL SUPPLY FUND

15 To increase the general supply fund established by the
16 Act of February 27, 1929, as amended (41 U. S. C. 7c),
17 \$479,803.93.

18 NET RENEGOTIATION REBATES

19 For necessary expenses in connection with the process-
20 ing and determination of net renegotiation rebates under
21 section 403 (a) (4) (D) of the Renegotiation Act,
22 including personal services in the District of Columbia,
23 \$125,000.

24 STRATEGIC AND CRITICAL MATERIALS

25 For necessary expenses in carrying out the provisions of

1 the Strategic and Critical Materials Stock Piling Act of July
 2 23, 1946, including personal services in the District of Co-
 3 lumbia; services as authorized by section 15 of the Act of
 4 August 2, 1946 (5 U. S. C. 55a) ; purchase of fifteen pas-
 5 senger motor vehicles; and printing and binding; \$525,-
 6 000,000, to be immediately available and to remain available
 7 until expended, of which \$250,000,000 is for liquidation of
 8 obligations incurred pursuant to authority heretofore granted
 9 under this head; and in addition to the amount herein appro-
 10 priated, contracts may be entered into for the purposes of
 11 the said Act of July 23, 1946, in an amount not in excess of
 12 \$250,000,000: *Provided*, That any funds received as pro-
 13 ceeds from sale or other disposition of materials on account
 14 of the rotation of stocks under said Act shall be deposited
 15 to the credit, and be available for expenditure for the pur-
 16 poses, of this appropriation: *Provided further*, That during
 17 the current fiscal year, there shall be no limitation on the
 18 value of surplus strategic and critical materials which, in
 19 accordance with subsection 6 (a) of the Act of July 23,
 20 1946 (60 Stat. 598) , may be transferred to stock piles estab-
 21 lished in accordance with said Act.

22 COAST GUARD

23 SALARIES, OFFICE OF THE COMMANDANT

24 For personal services at the seat of Government,
 25 \$2,500,000.

PAY AND ALLOWANCES

1
2 For pay and allowances prescribed by law for com-
3 missioned officers, cadets, warrant officers, petty officers,
4 and other enlisted personnel, on active duty, and six civil-
5 ian instructors; not exceeding \$10,000 for cash prizes for
6 men for excellence in boatmanship, gunnery, target prac-
7 tice, and engineering competitions; transportation of
8 dependents of Coast Guard personnel on active duty and
9 retired and Reserve officers and of retired and Reserve
10 enlisted personnel, of grades entitled to transportation of
11 dependents in the Regular Coast Guard, when ordered to
12 active duty (other than training) and upon relief there-
13 from; carrying out the provisions of the Act of June 4,
14 1920 (34 U. S. C. 943) ; not to exceed \$32,200 for cost
15 of instruction of officers at non-Federal institutions, includ-
16 ing books, laboratory equipment and fees, school supplies,
17 and maintenance of students; motion-picture and other equip-
18 ment for instructional purposes; rations or commutation
19 thereof for cadets, petty officers, other enlisted personnel,
20 members of the Coast Guard Auxiliary when assigned spe-
21 cific duties under the provisions of section 8, Act of February
22 19, 1941, as amended (14 U. S. C. 267) , working parties in
23 the field, and officers and crews of light vessels and tenders
24 (14 U. S. C. 135) ; mileage and expenses allowed by law
25 for officers, including per diem rates of allowance, and the

1 Secretary is hereby authorized to prescribe per diem rates
2 of allowance for Public Health Service officers detailed to
3 the Coast Guard as authorized for Coast Guard officers;
4 traveling expenses of other persons traveling on duty under
5 orders from the Treasury Department, including transporta-
6 tion of cadets, enlisted personnel, and applicants for enlist-
7 ment, with subsistence and transfers en route, or cash in lieu
8 thereof; transportation in kind and subsistence to discharged
9 cadets; uniform clothing for enlisted men as provided by
10 law (14 U. S. C. 13) ; clothing for enlisted personnel au-
11 thorized by law; civilian clothing, including an overcoat
12 when necessary, the cost of all not to exceed \$30 per person
13 to enlisted personnel given discharges for bad conduct, un-
14 desirability, unsuitability, or inaptitude; reimbursement in
15 kind or in cash as authorized by law to persons in the Coast
16 Guard for personal property lost, destroyed, or damaged;
17 actual expenses of officers and cadets and quarters and sub-
18 sistence of enlisted personnel on shore patrol, emergency
19 shore detail and other detached duty, or cash in lieu thereof;
20 hire of quarters for officers serving with troops where suffi-
21 cient quarters are not possessed by the United States to ac-
22 commodate them; hire of quarters for Coast Guard personnel
23 comparable to quarters assignable on a capital ship of the
24 Navy, as authorized by the Secretary to meet emergency
25 conditions, including officers and men on sea duty at such

1 times as they may be deprived of their quarters on board
2 ship due to repairs or other conditions which may render
3 them uninhabitable: *Provided*, That under this authorization
4 no funds may be expended for the hire of quarters for occu-
5 pancy by the dependents of officers or enlisted personnel;
6 expenses of recruiting for the Coast Guard; advertising for
7 and obtaining enlisted personnel and applicants for appoint-
8 ment as cadets; training of enlisted personnel, including text-
9 books, school supplies, and correspondence courses; transfer
10 of household goods and effects of Coast Guard and Coast
11 Guard Reserve personnel on active duty and when ordered
12 to active duty and upon relief therefrom, and the transfer
13 of household goods and effects of deceased Coast Guard and
14 Coast Guard Reserve personnel who die while on active duty,
15 as prescribed by law and regulations; purchase of provisions
16 for sale to Coast Guard personnel at isolated stations, and
17 the appropriation reimbursed; and including not to exceed
18 \$190,000 for recreation, amusement, comfort, contentment,
19 and health of the enlisted personnel of the Coast Guard, to
20 be expended pursuant to regulations prescribed by the Sec-
21 retary; apprehension and delivery of deserters and stragglers
22 (14 U. S. C. 147) ; \$74,500,000: *Provided*, That no part
23 of this appropriation shall be used (1) to pay any enlisted
24 man of the Coast Guard while detailed for duty at Coast
25 Guard headquarters if such detail increases above thirty the

1 total number of enlisted men detailed to such duty at any
2 time, or (2) for increased pay for making aerial flights by
3 nonflying officers or observers at rates in excess of those
4 prescribed by law for the Air Force, which shall be the
5 legal maximum rates as to such nonflying officers or
6 observers.

7 RETIRED PAY

8 For retired pay for commissioned officers, warrant
9 officers, enlisted personnel, for certain members of the former
10 Life Saving Service authorized by the Act approved April
11 14, 1930 (14 U. S. C. 178a), and for certain officers and
12 employees entitled thereto by virtue of former employment
13 in the Lighthouse Service engaged in the field service or on
14 vessels of the Coast Guard except persons continuously em-
15 ployed in district offices and shops (33 U. S. C. 763, 765),
16 \$13,134,000.

17 GENERAL EXPENSES

18 For expenses necessary for the operation and main-
19 tenance of the Coast Guard ashore and afloat, except as spe-
20 cifically provided for in other appropriations, including per-
21 sonal services; services as authorized by section 15 of the
22 Act of August 2, 1946 (5 U. S. C. 55a); printing and bind-
23 ing; purchase of not to exceed thirty-one passenger motor
24 vehicles for replacement only, and maintenance, operation,

1 and repair of aircraft; improvement of property for Coast
 2 Guard purposes, including rental, purchase, or use of addi-
 3 tional land where necessary and the purchase of land for bea-
 4 cons, daymarks, and fog signals; subsistence and clothing for
 5 shipwrecked and destitute persons, including reimbursement,
 6 under rules prescribed by the Secretary, of Coast Guard
 7 personnel who furnish from their personal stock subsistence
 8 and clothing to such persons (33 U. S. C. 749) ; for pay-
 9 ment of claims authorized under the Act of December 28,
 10 1945, as amended (31 U. S. C. 222g) ; examination of
 11 estimates of appropriations in the field; not to exceed \$2,500
 12 for contingencies for the Superintendent, United States
 13 Coast Guard Academy, to be expended in his discretion
 14 (14 U. S. C. 15k) ; payment of rewards for the apprehen-
 15 sion and conviction, or for information helpful therein, of
 16 persons found interfering in violation of law with aids to
 17 navigation maintained by the Coast Guard (14 U. S. C.
 18 50c) ; \$39,225,000: *Provided*, That the number of aircraft
 19 on hand at any one time shall not exceed one hundred and
 20 ten exclusive of planes and parts stored to meet future
 21 attrition.

22 CIVILIAN EMPLOYEES

23 For personal services in the field, not otherwise pro-
 24 vided for, including per diem labor, \$4,400,000.

25 The Secretary of the Treasury may transfer funds be-

1 tween the foregoing appropriations for the Coast Guard, but
2 no appropriation shall be either increased or decreased more
3 than 5 per centum by such transfers.

4 The capital of the Coast Guard supply fund shall be
5 increased by the value of commissary provisions and uniform
6 clothing on hand on July 1, 1949, and thereafter, under
7 regulations prescribed by the Secretary, the Coast Guard
8 supply fund shall be charged with the cost of procurement
9 and credited with the value of provisions consumed or sold,
10 and the value of issues and sales of clothing, such values to
11 be determined on a basis which will not increase the capital
12 of the fund.

13 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

14 For establishing and improving aids to navigation; the
15 purchase or construction of additional and replacement ves-
16 sels and their equipment; the purchase of aircraft and their
17 equipment; the construction, rebuilding, or extension of
18 shore facilities, including the acquisition of sites and im-
19 provements thereon when specifically approved by the Sec-
20 retary; and for expenditures directly relating thereto, in-
21 cluding personal services at the seat of government; \$10,-
22 000,000, to remain available until expended.

23 SEC. 102. No part of any appropriation or authorization
24 in this Act shall be used to pay any part of the salary or
25 expenses of any person whose salary or expenses are pro-

hibited from being paid from any appropriation or authorization in any other Act.

SEC. 103. This title may be cited as the "Treasury Department Appropriation Act, 1950".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1950, namely:

DEPARTMENTAL SERVICE

SALARIES

For personal services in the District of Columbia in bureaus and offices, as follows:

Office of the Postmaster General, including a health service program as authorized by law, \$435,000.

Office of Budget and Administrative Planning, \$125,000.

Office of the First Assistant Postmaster General, \$1,290,000.

Office of the Second Assistant Postmaster General, \$1,250,000, including \$160,000 available only for temporary personal services in the District of Columbia, and services as authorized by section 15 of the Act of August 2 1946 (5 U. S. C. 55a), in connection with rate hearings before the Interstate Commerce Commission.

1 Office of the Third Assistant Postmaster General,
2 \$1,485,000.

3 Office of the Fourth Assistant Postmaster General,
4 \$900,000.

5 Office of the Solicitor, including services as authorized
6 by section 15 of the Act of August 2, 1946 (5 U. S. C.
7 55a), \$300,000.

8 Office of the Chief Inspector, \$435,000.

9 Office of the Purchasing Agent, \$95,000.

10 Bureau of Accounts, \$550,000.

11 CONTINGENT EXPENSES

12 For necessary contingent and miscellaneous expenses
13 not otherwise provided for; printing and binding for the
14 departmental and field services; purchase and exchange of
15 lawbooks and books of reference; newspapers; and not to
16 exceed \$10,500 for travel expenses of the purchasing agent
17 and of the solicitor and personnel connected with those
18 offices; \$2,700,000.

19 FIELD SERVICE

20 OFFICE OF THE POSTMASTER GENERAL

21 TRAVEL AND MISCELLANEOUS EXPENSES

22 For travel and miscellaneous expenses in the field
23 service, offices of the Postmaster General and Assistant Post-
24 masters General, \$3,000.

DAMAGE CLAIMS

2 For payment of claims for damages, current and prior
3 fiscal years, pursuant to law (28 U. S. C. 2672; 31 U. S. C.
4 224c), \$450,000.

ADJUSTED LOSSES

6 For payments or credits to postmasters and to mail
7 clerks and assistant mail clerks of the Army, Navy, Air
8 Force, and Coast Guard, of amounts ascertained to have
9 been lost or destroyed during the current or prior fiscal years
10 through unavoidable casualty, as authorized by law (39
11 U. S. C. 49), \$75,000.

OFFICE OF THE CHIEF INSPECTOR

INSPECTORS

14 For personal services of fifteen inspectors in charge of
15 divisions and eight hundred inspectors, \$4,750,000.

MISCELLANEOUS EXPENSES, INSPECTION SERVICE

For necessary travel and miscellaneous expenses incurred in the operation of the inspection service, including not to exceed \$27,600 for chemical and other investigations, \$950,000.

CLERKS, INSPECTION SERVICE

22 For personal services of three hundred and eighty-nine
23 clerks in the inspection service, \$1,325,000.

REWARDS

25 For payment of rewards for the detection, arrest, and

1 conviction of post office burglars, robbers, highway mail
 2 robbers, and persons mailing or causing to be mailed any
 3 bomb, infernal machine, or mechanical, chemical, or other
 4 device or composition which may ignite, or explode, cur-
 5 rent and prior fiscal years, \$55,000: *Provided*, That rewards
 6 may be paid in the discretion of the Postmaster General,
 7 when an offender of the classes mentioned was killed in
 8 the act of committing the crime or in resisting lawful
 9 arrest: *Provided further*, That no part of this sum shall be
 10 used to pay any rewards at rates in excess of those specified
 11 in Post Office Department Order 36844, dated March 12,
 12 1948: *Provided further*, That of the amount herein appro-
 13 priated not to exceed \$20,000 may be expended in the
 14 discretion of the Postmaster General, for the purpose of
 15 securing information concerning violations of the postal laws
 16 and for services and information looking toward the appre-
 17 hension of criminals.

18. OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

19 POSTMASTERS

20 For personal services of postmasters, including persons
 21 who, pending the designation of an acting postmaster,
 22 assume and perform the duties of postmaster in the event
 23 of a vacancy in the office of postmaster of the third or
 24 fourth class, and persons who perform the duties for post-
 25 masters of the fourth class absent on sick or annual leave

1 or leave without pay, and for allowances for rent, light,
2 fuel, and equipment to postmasters of the fourth class,
3 \$104,000,000.

4 ASSISTANT POSTMASTERS

5 For personal services of assistant postmasters at first-
6 and second-class offices, \$15,000,000.

7 CLERKS, FIRST- AND SECOND-CLASS OFFICES

8 For personal services of clerks and employees at first-
9 and second-class offices, including auxiliary clerk hire at
10 summer and winter offices, printers, mechanics, skilled
11 laborers, watchmen, messengers, mail handlers, and sub-
12 stitutes; and a health service program as authorized by law,
13 \$625,000,000.

14 CONTRACT STATION SERVICE

15 For contract station service, \$3,700,000.

16 SEPARATING MAILS

17 For separating mails at fourth-class offices, \$180,000.

18 UNUSUAL CONDITIONS

19 For unusual conditions at post offices, \$25,000.

20 CLERKS, THIRD-CLASS OFFICES

21 For personal services of clerks at third-class offices,
22 \$33,000,000.

1 MISCELLANEOUS ITEMS, FIRST- AND SECOND-CLASS

2 OFFICES

3 For personal services and expenses necessary for the
4 operation and protection of offices of the first and second
5 classes, not otherwise provided for, \$4,500,000.

6 VILLAGE DELIVERY SERVICE

7 For personal services and expenses necessary for the
8 operation of village delivery service in towns and villages
9 having offices of the second or third class, and in communi-
10 ties adjacent to cities having city delivery, \$375,000.

11 DETROIT RIVER SERVICE

12 For Detroit River postal service, \$12,500.

13 CARFARE AND BICYCLE ALLOWANCE

14 For carfare and bicycle allowance, including special
15 delivery carfare, cost of transporting carriers by privately
16 owned automobiles to and from their routes, at rates not
17 exceeding regular streetcar or bus fare, and purchase, main-
18 tenance, and exchange of bicycles, \$3,250,000.

19 CITY DELIVERY CARRIERS

20 For personal services of carriers in the city delivery
21 service, and employees in the United States official mail and
22 messenger service, \$392,000,000.

1 SPECIAL DELIVERY SERVICE

2 For personal services of and fees to special delivery
3 messengers, \$16,500,000.

4 RURAL DELIVERY SERVICE

5 For personal services of rural carriers, auxiliary carriers,
6 substitutes for rural carriers on annual and sick leave, clerks
7 in charge of rural stations, tolls and ferriage, and necessary
8 expenses of the rural delivery service, \$153,500,000, of
9 which not less than \$200,000 shall be available for exten-
10 sions and new service.

11 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

12 STAR ROUTE SERVICE

13 For inland transportation by star routes, \$30,000,000.

14 POWERBOAT SERVICE

15 For inland transportation by powerboat routes, \$2,250,-
16 000.

17 RAILROAD AND MESSENGER SERVICE

18 For inland transportation by railroad routes and for mail
19 messenger service, \$222,708,000: *Provided*, That separate
20 accounts shall be kept of the amount expended for mail
21 messenger service.

22 SALARIES, RAILWAY MAIL SERVICE

23 For personal services of fifteen general superintendents,
24 fifteen assistant general superintendents, four assistant gen-
25 eral superintendents at large, one hundred and twenty

1 district superintendents, one hundred and twenty assistant
2 district superintendents, and other employees in the railway
3 mail service, \$128,500,000.

4 TRAVEL ALLOWANCE, RAILWAY MAIL SERVICE

5 For travel allowance of the railway mail service, in-
6 cluding travel expenses of departmental officials and
7 employees, \$8,000,000.

8 MISCELLANEOUS EXPENSES, RAILWAY MAIL SERVICE

9 For necessary expenses of the railway mail service not
10 otherwise provided for, \$600,000.

11 ELECTRIC CAR SERVICE

12 For electric car service, \$175,000.

13 FOREIGN MAIL TRANSPORTATION

14 For transportation of foreign mails, except by aircraft,
15 \$11,500,000: *Provided*, That not to exceed \$2,000 is hereby
16 made available for expenses of delegates designated by the
17 Postmaster General to The Executive and Liaison Commis-
18 sion and the Transit Commission of the Universal Postal
19 Union, to be expended in the discretion of the Postmaster
20 General and accounted for solely on his certificate.

21 AMOUNTS DUE FOREIGN COUNTRIES

22 For payment of amounts due foreign countries for
23 transportation and handling of mails of United States origin,
24 current and prior fiscal years, \$10,000,000.

1 INDEMNITIES, INTERNATIONAL MAIL

2 For payment of limited indemnity for the injury or loss
3 of international mail in accordance with convention, treaty,
4 or agreement stipulations, current and prior fiscal years,
5 \$50,000.

6 FOREIGN AIR MAIL SERVICE

7 For expenses necessary for transportation of foreign
8 mails by aircraft, as authorized by law, \$45,308,000.

9 DOMESTIC AIR MAIL SERVICE

10 For expenses necessary for the inland transportation of
11 mail by aircraft, as authorized by law, including not to ex-
12 ceed \$225,000 for personal services at field headquarters,
13 \$41,753,000.

14 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

15 STAMPS AND STAMPED PAPER

16 For manufacture and distribution of stamps and
17 stamped paper, including not to exceed \$33,000 for per-
18 sonal services of employees and other necessary expenses
19 of the United States Stamped Envelope Agency,
20 \$11,000,000.

21 INDEMNITIES, DOMESTIC MAIL

22 For payment of indemnity for the injury or loss of
23 domestic registered, insured, and collect-on-delivery mail,
24 and for failure to remit collect-on-delivery charges, cur-
25 rent and prior fiscal years, \$4,250,000.

UNPAID MONEY ORDERS

For payment of domestic money orders after one year from the last day of the month of issue of such orders, such amounts as hereafter may be necessary.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER

GENERAL

SUPPLIES AND EQUIPMENT

For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the field service not otherwise provided for; not to exceed \$1,500 for the purchase of atlases and geographical and technical works; not to exceed \$239,000 for personal services, including seventeen traveling mechanics; rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and travel expenses; \$11,000,000, of which \$750,000 shall be available exclusively for the development, manufacture, and purchase of modern mechanical postal devices to improve and facilitate mail handling, financial operations, and other postal functions: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps at the cost of printing and 10 per centum thereof added.

EQUIPMENT SHOPS

For purchase, manufacture, and repair of mail bags and other equipment for the field service not otherwise provided for; and for expenses necessary for the operation, maintenance, and protection of the mail-equipment-shops building, grounds, and equipment, including not to exceed \$1,510,000 for personal services in the District of Columbia and a health-service program as authorized by law; \$19,000,000, of which not to exceed \$15,000 shall be available for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments.

RENT, FUEL, AND UTILITY SERVICES

14 For rent, light, power, fuel, and water, for first-, second-,
15 and third-class offices, and the cost of advertising for lease
16 proposals for such offices, \$16,800,000.

PNEUMATIC TUBE SERVICE

18 For rental of not to exceed twenty-eight miles of pneu-
19 matic tubes, personal services, communication service,
20 electric power, and other expenses for transmission
21 of mail in the city of New York including the Borough of
22 Brooklyn; and for rental of not to exceed two miles of pneu-
23 matic tubes, not including personal services and power in
24 operating the same, for the transmission of mail in the city
25 of Boston, Massachusetts; \$775,000: *Provided*, That the

1 Acts of April 21, 1902, May 27, 1908, and June 19,
2 1922 (39 U. S. C. 423), relating to contracts for the trans-
3 mission of mail by pneumatic tubes or other similar devices
4 shall not be applicable to the city of New York, and the
5 provisions not inconsistent herewith of the Acts of April
6 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be
7 applicable to the city of Boston.

8 VEHICLE SERVICE

9 For the hire, purchase, maintenance, repair, and opera-
10 tion of vehicles, including tractors and trailer trucks, for use
11 in the collection, transportation, delivery, and supervision of
12 the mail, including the repair of vehicles owned by, or under
13 the control of, units of the National Guard and departments
14 and agencies of the Federal Government where repairs are
15 made necessary because of utilization of such vehicles in the
16 field service; rental of garage facilities; lease of quarters not
17 exceeding a term of ten years for the housing of Government-
18 owned vehicles, and personal services in the motor vehicle
19 service, \$51,000,000, of which \$5,631,000 shall be available
20 exclusively for the purchase of trucks, including tractors and
21 trailers: *Provided*, That no part of this appropriation shall be
22 expended for maintenance or repair of vehicles for use in
23 connection with administrative work in the departmental
24 service.

1 TRANSPORTATION OF EQUIPMENT AND SUPPLIES

2 For the transportation and delivery of equipment, mater-
3 ials, and supplies for the departmental and field services by
4 freight, express, or motor transportation, and other incidental
5 expenses, \$900,000.

6 SALARIES, CUSTODIAL SERVICE

7 For personal services in the custodial service,
8 \$52,300,000.

9 SUPPLIES, PUBLIC BUILDINGS

10 For necessary miscellaneous articles, services and sup-
11 plies, including transportation thereof, required for the opera-
12 tion of completed and occupied public buildings and grounds
13 operated by the Post Office Department, \$8,000,000, which
14 shall not be available for personal services except for work
15 done by contract, or for temporary job labor under exigency
16 not exceeding at one time the sum of \$250 at any one build-
17 ing: *Provided*, That the Postmaster General is authorized to
18 contract for telephone service in public buildings under his
19 administration by means of telephone switchboards or equiv-
20 alent telephone switching equipment jointly serving in each
21 case two or more governmental activities, where he deter-
22 mines that joint service is economical and in the interest of
23 the Government, and to secure reimbursement for the cost
24 of such joint service from available appropriations for tele-
25 phone expenses of the bureaus and offices receiving the same.

EQUIPMENT, PUBLIC BUILDINGS

For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, \$1,125,000: *Provided*, That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

POSTAL DEFICIENCY

DEFICIENCY IN POSTAL REVENUES

If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under this title, a sum equal to such deficiency in the revenues is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues for the current fiscal year, and the sum needed

1 may be advanced to the Post Office Department upon requi-
2 sition of the Postmaster General.

3 POST OFFICE DEPARTMENT—GENERAL PROVISIONS

4 SEC. 202. Unless otherwise provided, no part of any
5 appropriation in this title for the field service shall be ex-
6 pended on account of the departmental service: *Provided*,
7 That necessary expenses of officials and employees of the
8 departmental or field services traveling on official business
9 may be paid from the appropriation for the service in con-
10 nection with which the travel is performed: *Provided fur-*
11 *ther*, That appropriations made in this title for the field
12 service, except such as are exclusively for personal services,
13 shall be available for examination of estimates of appropria-
14 tions in the field.

15 SEC. 203. Appropriations made in this title for the de-
16 partmental and field services shall be available for expendi-
17 tures in connection with accident prevention in the respective
18 services.

19 SEC. 204. Not to exceed 5 per centum of any appropria-
20 tion for the field service may be transferred, with the ap-
21 proval of the Director of the Bureau of the Budget, to any
22 other appropriation or appropriations under the field service,
23 but no appropriation shall be increased more than 10 per
24 centum by such transfers.

25 SEC. 205. Appropriations in this title available either

1 for personal services or for necessary expenses or for miscel-
2 laneous supplies shall be available for printing and binding.

3 SEC. 206. Appropriations in this title for the purchase
4 of fuel and the transportation thereof shall be immediately
5 available.

6 SEC. 207. This title may be cited as the "Post Office
7 Department Appropriation Act, 1950".

8 TITLE III—GOVERNMENT CORPORATIONS

9 The following corporations, respectively, are hereby
10 authorized to make such expenditures, within the limits of
11 funds and borrowing authority available to each such cor-
12 poration and in accord with law, and to make such contracts
13 and commitments without regard to fiscal year limitations
14 as provided by section 104 of the Government Corporation
15 Control Act, as amended, as may be necessary in carrying
16 out the programs set forth in the Budget for the fiscal year
17 ending June 30, 1950, for each such corporation, except as
18 hereinafter provided:

19 EXPORT-IMPORT BANK OF WASHINGTON

20 Not to exceed \$950,000 (to be on an accrual basis) of
21 the funds of the Export-Import Bank of Washington shall
22 be available during the current fiscal year for all admin-
23 istrative expenses of the bank, including not to exceed
24 \$300 for periodicals, \$300 for newspapers, and \$500
25 for maps; health-service program as authorized by law

1 (5 U. S. C. 150), and not to exceed \$5,000 for tem-
2 porary services, as authorized by section 15 of the Act
3 of August 2, 1946 (5 U. S. C. 55a): *Provided*, That
4 necessary expenses (including special services performed
5 on a contract or fee basis, but not including other per-
6 sonal services) in connection with the acquisition, opera-
7 tion, maintenance, improvement, or disposition of any real
8 or personal property belonging to the bank or in which it
9 has an interest, including expenses of collections of pledged
10 collateral, or the investigation or appraisal of any property
11 in respect to which an application for a loan has been made,
12 shall be considered as nonadministrative expenses for the
13 purposes hereof.

14 RECONSTRUCTION FINANCE CORPORATION

15 Not to exceed \$25,400,000 (to be computed on an
16 accrual basis) of the funds of the Reconstruction Finance
17 Corporation shall be available during the current fiscal year
18 for its administrative expenses and the administrative ex-
19 penses of the Federal National Mortgage Association; not to
20 exceed \$1,500 for periodicals and newspapers; purchase (not
21 to exceed thirty, for replacement only) and hire of passen-
22 ger motor vehicles; health service program as authorized by
23 law (5 U. S. C. 150); use of the services and facilities of the
24 Federal Reserve banks: *Provided*, That as used herein the
25 term "administrative expenses" shall be construed to include

1 all salaries and wages, services performed on a contract or
2 fee basis, and travel and other expenses, including the pur-
3 chases of equipment and supplies, of administrative offices:
4 *Provided further*, That the limiting amount heretofore stated
5 for administrative expenses shall be increased by an amount
6 which does not exceed the aggregate cost of salaries, wages,
7 travel, and other expenses of persons employed outside the
8 continental United States; the expenses of services performed
9 on a contract or fee basis in connection with termination of
10 contracts or in the performance of legal services; and all
11 administrative expenses reimbursable from other Govern-
12 ment agencies: *Provided further*, That the distribution of
13 administrative expenses to the accounts of the Corporation
14 shall be made in accordance with generally recognized
15 accounting principles and practices: *Provided further*, That,
16 except as otherwise provided hereinafter, none of the funds
17 of the Reconstruction Finance Corporation and its subsidiary
18 shall be used for the custody, maintenance, or disposal of any
19 surplus property within the continental limits of the United
20 States, its Territories or possessions, except such property as
21 may be owned by and held for disposal by the Reconstruc-
22 tion Finance Corporation or its subsidiary; but, notwith-
23 standing any other provision of law, the Reconstruction
24 Finance Corporation may waive reimbursement from War
25 Assets Administration for the administrative property trans-

1 ferred prior to July 1, 1946, and for expenses incurred
2 prior thereto in the custody, maintenance, or disposal of any
3 surplus property: *Provided further*, That no part of the funds
4 of the Reconstruction Finance Corporation or of its subsid-
5 iary shall be used to make any purchase or for personal
6 services or to enter into any contract for the use or benefit of
7 any other agency of the Government unless such agency shall
8 have authority in law and appropriations available to make
9 reimbursement for such purchase, personal services, or con-
10 tract.

11 SEC. 302. This title may be cited as the "Export-Import
12 Bank and Reconstructon Finance Corporation Appropriation
13 Act, 1950".

14 TITLE IV—GENERAL PROVISIONS

15 SEC. 401. No part of any appropriation contained in
16 this Act, or of the funds available for expenditure by any cor-
17 poration included in this Act, shall be used to pay the salary
18 or wages of any person who engages in a strike against the
19 Government of the United States or who is a member of an
20 organization of Government employees that asserts the right
21 to strike against the Government of the United States, or who
22 advocates, or is a member of an organization that advocates,
23 the overthrow of the Government of the United States by force
24 or violence: *Provided*, That for the purposes hereof an affi-
25 davit shall be considered prima facie evidence that the person

1 making the affidavit has not contrary to the provisions of this
2 section engaged in a strike against the Government of the
3 United States, is not a member of an organization of Govern-
4 ment employees that asserts the right to strike against the
5 Government of the United States, or that such person does
6 not advocate, and is not a member of an organization that
7 advocates, the overthrow of the Government of the United
8 States by force or violence: *Provided further*, That any
9 person who engages in a strike against the Government of
10 the United States or who is a member of an organization
11 of Government employees that asserts the right to strike
12 against the Government of the United States, or who advo-
13 cates, or who is a member of an organization that advocates,
14 the overthrow of the Government of the United States by
15 force or violence and accepts employment the salary or
16 wages for which are paid from any appropriation or fund
17 contained in this Act shall be guilty of a felony and, upon
18 conviction, shall be fined not more than \$1,000 or imprisoned
19 for not more than one year, or both: *Provided further*, That
20 the above penalty clause shall be in addition to, and not in
21 substitution for, any other provisions of existing law.

22 SEC. 402. This Act may be cited as the "Treasury
23 and Post Office Departments Appropriation Act, 1950".

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81ST CONGRESS
1ST Session

H. R. 3083

[Report No. 168]

A BILL

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

By Mr. GARY

MARCH 1, 1949

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

RECORD and include a letter from a constituent in Fairfield, Ala., about traffic accidents.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD on two occasions and include two resolutions.

COMMITTEE ON AGRICULTURE

Mr. PACE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be permitted to sit during the session of the House today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. D'EWARD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

DEPARTMENT OF THE INTERIOR

Mr. D'EWARD. Mr. Speaker, I rise at this time to call the attention of the House to the fact that today marks the one hundredth anniversary of the establishment of the Department of the Interior in our Government, that great Department that so well serves this country in developing our natural resources. It has been a prime factor in the development of irrigation not only for the benefit of the West but for the benefit of the whole country. It has helped in the development of our soil resources. In the matter of electric energy, it has more than any other agency of the Government to do with making that power available to the whole country. The Geological Survey in the mapping of this country has done outstanding work. The Fish and Wildlife Service has to do with the development of our fish and wildlife resources that mean so much not only to the economy of the country but to the pleasure of the people.

The Bureau of Mines serves this country equally well in the search for new mineral resources and the study of better methods of processing ores. The Bureau of Territories and Insular Affairs is of great value to our Territories in their efforts to improve their political and economic status. The Office of Indian Affairs, transferred to the Interior Department many years ago from the War Department, has one of the most difficult domestic assignments in our Federal Government. The National Park Service is the custodian of our national parks and monuments which were enjoyed by millions of people last year.

The Department of the Interior has concluded 100 years of outstanding service to the Nation. There is still a great service to be performed, and this agency has the personnel, the background, the history, and experience to do it. Its record of achievement gives us confidence that in the years ahead it will continue to contribute greatly to the social and economic welfare of the United States.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I wish to announce that the hearings which I previously stated would be held Wednesday on the veterans' pension bill were continued up to about 1:30 on yesterday, but could not be concluded, so tomorrow the hearings will continue before the Committee on Rules.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Indiana.

Mr. HALLECK. A number of Members have spoken to me about what the President's attitude is in respect to this pension bill. He has been making many statements as to what should and should not be passed. In fact, he seems to be quite definite about many proposals before us. I wonder if the gentleman would undertake, as chairman of the Rules Committee, to find out whether the President is for or against this pension bill at this time. I think the President should state his position.

Mr. SABATH. I am not in position to state whether he is for or against it. When all the information is available, perhaps he will then be in position to know whether or not he will be in favor of the bill. However, he is for any and all legislation that is for the best interests of the country.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

COMMUNISM VERSUS AMERICA

Mr. RANKIN. Mr. Speaker, those elements in and out of Congress that have been maligning and abusing the Committee on Un-American Activities now have an opportunity to choose sides. The Communist party—which is composed largely of a racial minority—announced yesterday that if we get into a war with Russia they would take the side of Russia.

Communism is not a party, it is a Gestapo. It is a machine. It is a worldwide organization, and it has in this country untold numbers of Communist-front organizations, which our committee has exposed. Many Communists, and especially many members of Communist fronts, are today holding offices in your States and in the Federal Government.

I say it is time for the American people to wake up, clean house and fumigate, before it is everlastingly too late.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, may I inquire of the distinguished majority leader whether he can tell us about the program for the balance of the week and next week also. I may say at the outset to the gentleman that I have discussed the matter of the Gulf States marine fisheries compact bill with the ranking Republican member, the gentleman from Ohio [Mr. WEICHEL], who said it is entirely agreeable with him to dispose of that matter today.

Mr. MCCORMACK. That is fine. With reference to the program for next week, I ask the indulgence of the membership until tomorrow to announce the full program for next week.

The Department of Labor appropriation bill will come up on Wednesday of next week. As to what will be scheduled before and after that, I am unable to state at the present time, but I will be in a position to make an announcement on that tomorrow.

If we finish with the Treasury and Post Office Departments appropriation bill today, which I understand will involve 2 hours of general debate, I would like to take up the bill relating to the approval of the Gulf States marine fisheries compact. I understand there is not much opposition, if any. When that is completed there would be no further legislative business for the balance of the week.

The House will meet tomorrow, however, because of the special order obtained by the gentleman from Illinois [Mr. SABATH] to properly commemorate the great life and great contributions to American history of General Casimir Pulaski. That is done each year and the House will meet only for that purpose tomorrow.

Therefore, as I have previously stated, there will be no business following the disposition of the Treasury and Post Office Departments appropriation bill today and also if the Gulf States bill is disposed of. I will say frankly if the situation develops where both bills cannot be disposed of today, I shall put this Gulf States compact bill on the program for next week. I would not feel warranted and there would be no necessity in keeping the Members here on the floor tomorrow or to not give them a full day in their offices, because we are all busy, and I would not want this bill to stand in the way. But I am hopeful that we can take it up in view of the fact that there is very little, if any, opposition to it. I hope that we can dispose of it after the Treasury and Post Office Departments appropriation bill is disposed of.

Therefore, Mr. Speaker, I will make the flat statement without regard as to whether or not this bill does come up, that there will be no business for the remainder of the week.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes. Pending my motion, I ask unanimous consent that general debate on the bill be limited to 2 hours, one-half the time to be controlled by the gentleman from New Jersey [Mr. CANFIELD] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. GARY]?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. GARY].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, with Mr. PRIEST in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN (Mr. PRIEST). Under the unanimous-consent agreement, the gentleman from Virginia [Mr. GARY] will control 1 hour of the time and the gentleman from New Jersey [Mr. CANFIELD] 1 hour.

The gentleman from Virginia [Mr. GARY] is recognized.

Mr. GARY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, for the third consecutive year, the Subcommittee on Treasury and Post Office of the Appropriations Committee brings to you a unanimous report. The bill today was reported unanimously out of the subcommittee, and unanimously out of the full committee.

In view of that fact, I think I might trespass upon your time for a few moments to do a little bragging about this subcommittee of which I am justly proud.

Two years ago, the gentleman from New Jersey [Mr. CANFIELD] was made chairman of the Subcommittee on Treasury and Post Office Departments. It was my privilege to serve with him as the ranking minority member. I made the statement on this floor last year that I considered the gentleman from New Jersey [Mr. CANFIELD] one of the ablest chairmen in this body. He is not only an able chairman, but he is also a courteous gentleman. He showed every consideration to the minority members of the committee in the deliberations on the bill.

This year I want to say to you that he is equally as cooperative, now that the situation has changed and I have the honor of being chairman of the committee and he the ranking minority member. We owe him a debt of gratitude for the work he has done on this bill.

The other members of the committee this year, while they are new on the Appropriations Committee, are veterans of the House. The gentleman from New Mexico [Mr. FERNANDEZ] has a long record of public service. He served his own State in many public capacities before coming to Congress. He has been a Member of the Congress for several terms. This year his ability was recognized by placing him on the Appropriations Committee, and he has made a notable contribution to the work of our subcommittee.

The gentleman from Louisiana [Mr. PASSMAN], the other Democratic member of the committee, is also a veteran in this body. The gentleman from Louisiana [Mr. PASSMAN] has had a wide business experience in his native State of Louisiana. His judgment and business acumen made him a most useful member throughout the deliberations of the committee.

The other minority member, the gentleman from New York [Mr. COUDERT], served with us for a while; but I am sorry to state that he found it necessary to leave Washington for a short time on account of his health. After his departure his place was ably filled by the gentleman from Oregon [Mr. STOCKMAN].

I would not be fair if I did not also say that in my judgment in Mr. Kenneth Sprankle we have one of the ablest executive secretaries who is connected with the Committee on Appropriations. He has served us efficiently and well; and the work of the committee would not have been half as comprehensive, or half as well done, had it not been for his able services.

We have submitted a report dealing in detail with the recommendations of our subcommittee; I, therefore, will not at this time attempt to discuss all of its various items. I wish to say to you, however, that the Treasury and Post Office Departments spend more of the budget money than any other departments of the Government, not excluding the armed services. Of this amount, however, by far the greater part consists of permanent and indefinite appropriations over which the committee has no jurisdiction: For example, we spend annually over \$5,000,000,000 for interest on the public debt. This amount cannot be changed, because whatever the interest is, annually, we must pay it; for, certainly, the Government is not going to default in the payment of any part of the interest on its debt. It is estimated that next year because of some changes in the interest rate there will be an increase of \$125,000,000 which will bring the total payments for interest on the public debt to \$5,540,000,000. In addition to that, as a permanent and indefinite appropriation we have the refunding of internal revenue collections. This item covers the amount of taxes that the Government has collected from its

citizens over and above the amounts that are legally due. Each year these overpayments must be refunded.

This year, for the first time, we are making a change in the method of handling these funds. Whereas it has been customary in the past to show them as budget expenditures, this year we are changing the bookkeeping so as to deduct the refunds from the receipts that come into the Treasury, and instead of reporting them as expenditures we are showing only the net receipts which come into the Treasury after the deduction of refunds. Those refunds, however, must be paid out of the Treasury.

The permanent indefinite appropriations amount to \$8,260,000,000. In addition, the Treasury Department handles large trust funds, over which this Committee has absolutely no jurisdiction; they are funds out of which must be paid the Federal old age and survivors' insurance benefits which are estimated at \$2,685,000,000 for 1950. Another item of these funds is the unemployment trust fund the total payments from which for 1950 is estimated at \$1,202,000,000.

The various trust fund payments aggregate \$3,888,000,000 for 1950. The permanent and indefinite appropriations together with the trust funds for 1950 aggregate, therefore, approximately \$12,000,000,000.

The operating expenses of the two departments are the expenditures over which the committee does have jurisdiction. They are the expenditures which we examined very carefully. Sitting in session day after day we have interrogated the heads of all the departments, bureaus and divisions and may I assure you that the committee did not approach its task with any thought of partisan politics. We recognized that the Treasury and Post Office Departments are the two most important Departments of the United States Government and unless they function properly our governmental machinery is bound to suffer. We recognized, on the other hand, that we are facing huge expenditures during the approaching year; therefore we felt it our duty to investigate the requests of these Departments to see what reductions could be made without impairing their efficiency and which would at the same time permit us to reduce the tremendous budget with which we are faced.

The over-all picture as we present it to you is that in 1949 the appropriations for the Treasury Department were \$796,000,000. I am using round figures in presenting this to you. The Department request was \$1,093,000,000 for 1950. The committee recommends \$1,027,000,000. The amount requested by the Treasury Department was \$231,500,000 more than was appropriated for that Department for 1949. In fairness to the Department, however, it should be said that \$225,000,000 of the increase was for the stock piling of strategic materials, which is very important as I shall explain to you later. The balance of the increase was largely due to the increase in salaries under Public Law 900 which was enacted by the Congress during the last session. The committee reduced the amount requested by \$65,000,000.

It may be that in some instances we have trimmed pretty close, but, nevertheless, we feel that this is a reasonable bill, and, may I repeat, the committee is unanimous in that thought. When I say the committee is unanimous, it does not mean that we were always unanimous in committee. We had differences of opinion but we resolved those differences within the committee so that we could bring this report to you today as the unanimous report of the committee. Although in some instances the appropriations have been trimmed pretty close we believe that we have allowed enough money for the Treasury Department to operate efficiently during the next year.

For the Post Office Department the appropriations for 1949 were \$1,857,000,000. The Department requested \$2,079,000,000, which was an increase of \$187,000,000 over 1949. Most of that increase is due to Public Law 900, which increased the salaries of Federal employees. We have reduced that appropriation \$34,500,000.

Summing up the two Departments, their appropriations for 1949 were \$2,653,219,000. They requested \$3,172,666,000 for 1950. The committee recommends \$3,072,817,000 for 1950, which is an increase over 1949 of \$419,598,000, but a decrease of the amount requested of \$99,848,000. Frankly, if we had added these figures up before the committee finished operating, we were so close to the \$100,000,000 mark that we might have gone back to see if we could not cut just a few more thousand dollars to make it \$100,000,000. But we did not do that. We bring the report to you as it is.

In addition this year there have been added to the duties of this committee two corporations that have heretofore been considered by the Government Corporations Committee. One is the Export-Import Bank of Washington and the other is the Reconstruction Finance Corporation.

Now, I shall discuss with you briefly some of the outstanding provisions of this report.

In the first place, the language of the report has been greatly simplified. The Bureau of the Budget has done a very excellent job this year in simplifying the language in the various appropriation bills. Not only has it simplified the language, but it has also reduced the language so that the bills are more uniform and they are more understandable.

Moreover, the justifications as presented by the Treasury Department this year were greatly simplified. They were reduced from three volumes as heretofore presented to the committee to one volume. The budget staff of the Treasury Department and members of the staff of the Committee on Appropriations worked together in perfecting those changes which were a material aid to the committee.

Now, the first division of the Treasury Department which I shall discuss is that of the Bureau of Accounts. In connection with this Bureau I think you will be glad to know that we are making substantial progress in the unification and improvement of Government accounts.

If there is one point in our Federal system that is now and has been open to criticism in the past it is the accounting systems of the various bureaus and agencies. Nothing is much more important in Government than proper accounting, and yet the accounting methods have varied according to each individual agency. There has been practically no uniformity. In some agencies the accounting systems have been very good; in others they have been very poor. In an effort to accomplish more uniformity in the accounting systems there has been established a joint committee composed of representatives of the Bureau of Accounts of the Treasury Department, of the Bureau of the Budget, and of the General Accounting Office. That committee is studying the various accounting systems with the idea of devising a system that can be recommended to the various governmental units, so that each of the units or agencies may have a uniform system and that we may have a general uniform accounting system throughout the Government.

I know each of you will agree with me that that is a consummation devoutly to be wished. Our committee gave its blessing to this project, and we are hopeful that it will accomplish the purposes for which the joint committee was created.

I shall not discuss the Bureau of Customs because my predecessor as chairman of this committee, the gentleman from New Jersey [Mr. CANFIELD], has worked very hard over that Bureau and has a story to tell you about it, which he will do after I am through. I shall, therefore, leave this subject to him.

One of the main items in this bill, and the one which gave our committee the most concern, was that of the Bureau of Internal Revenue. The Bureau of Internal Revenue, as all of you know, collects the taxes for the Federal Government. I have more or less specialized in the field of taxation for a number of years. It was my privilege to serve as the head of the tax department of my own State of Virginia. In my entire experience in taxation I have never seen but one popular tax, and that is the tax the other fellow pays.

In view of that fact, a great many of our citizens try to avoid taxes. Our Supreme Court in Virginia has said that tax avoidance is perfectly proper; that it is neither illegal nor immoral, because avoidance of taxes is merely taking advantage of every provision of the law to see that you do not pay more taxes than your share.

But there is another class of citizens, and I am glad to say that it is comparatively small, who are trying to evade taxes. That is an entirely different situation. They are using illegal methods to prevent paying their fair share of the cost of the Government, which they enjoy. Whenever any citizen escapes his proper share of the burden of taxation he merely passes that burden on to some honest taxpayer who is paying his proper share of the tax burden.

We feel that the Bureau of Internal Revenue should be provided with all reasonable facilities to ferret out the

tax dodgers, and to make them contribute their proper share to the Government.

The Bureau of Internal Revenue asked for 7,000 additional employees for this purpose. They argue that they will return to the Treasury \$20 for every dollar we spend for their compensation. They make out a pretty good case, because they have brought into the Treasury nearly \$5,000,000,000 during the last 3 years in omitted taxes, but we must recognize that sooner or later you reach a point of diminishing returns. Our committee thought that we should approach that point of diminishing returns gradually rather than too rapidly. We allowed the Bureau of Internal Revenue 1,950 additional employees last year.

We have not had an opportunity yet to evaluate their services because they have not been employed long enough to provide the proper statistics. The Treasury this year asked for 1,476 additional employees on a full-year basis, plus 5,473 additional employees to be placed on the rolls during the last half of the fiscal year 1950, which would leave them with an increase of 7,019 persons at the close of the year whom we would have to continue on for the next year. Our committee thought that was too many. We did feel, however, that they should have some additional employees, and after long deliberation we determined that next year the Bureau should be allowed 1,500 additional employees on a full-year basis without any additional-part-time employees. We specifically recommend in our report that the funds appropriated shall be used for the employment of full-time men and that it shall not be used to employ 3,000 men for half a year so that we would not have them on our hands next year. We believe that is a sufficient number to do the job. In view of that we reduced the request of the Bureau of Internal Revenue \$12,268,000, which was the amount required for the additional men over and above the 1,500 which we have allowed.

In the Bureau of Narcotics we have not cut the budget request one penny. We are faced with a very serious situation today with narcotics throughout the Nation. There is an increase in violations of law and in the use of narcotics. Our committee last year appropriated some funds out of which the Bureau sent several agents abroad. These agents went abroad and worked with the enforcement officers in other countries, such as Egypt and France. I am happy to report to you that the money was well spent. It paid rich dividends because those agents helped to break up several well-established narcotic gangs in foreign lands, who were shipping narcotics into this country. In other words, we were attacking the problem at the source.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. GARY. I am happy to yield to the gentleman.

Mr. FERNANDEZ. Does the gentleman think it is much better to stop this at the source than to try to catch them and take care of it here?

Mr. GARY. Very much better. That is the reason that this committee broke a precedent, so far as I know, and appropriated money to send these agents abroad. Of course they had no authority abroad, but they worked with the law-enforcement officers of foreign countries and accomplished a great deal. We have a very serious situation in America with reference to marijuana, as you may have read in the papers recently concerning cases arising out of the use of marijuana, especially by young people. In view of this situation, we felt we should allow this Bureau, which is operating very efficiently, the money which it requested.

In the Bureau of Engraving we reduced their appropriation \$2,000,000. That Bureau requested 400 additional employees and then proceeded to tell us that a great many of those employees could not be obtained because they were highly specialized men and were not available. We saw very little point in appropriating money for employees that could not be obtained, so we reduced their appropriation to some extent, but allowed them a sufficient amount to pay overtime to some of their present employees so that they can keep up the work of the department.

In the Secret Service Division, we did not touch the appropriation covering funds which are set aside for the guarding of the President of the United States and Government buildings. We felt that the Secret Service knew better than the committee what funds were necessary for that purpose and we allowed the full amount requested.

However, they did request 33 additional positions for 1950 for enforcing the counterfeiting and other laws which come under the Bureau. There has been some increase in counterfeiting in the United States, and it is very important that those activities be controlled. We felt, however, that an increase of 33 men to the now 333 used for that purpose, a 10 percent increase, was a rather large increase for next year, and we allowed approximately one-fourth of the additional positions which were requested.

In the Bureau of Federal Supplies we made some substantial reductions. I am going to read one sentence from our report which I think is very expressive:

The committee feels that curtailment should be made in the activities of this Bureau, which shows an appropriation increase of nearly 400 percent in the last 10 years, despite the fact that the major part of the finances of the Bureau are supplied by funds from other appropriations and programs.

The Bureau of Federal Supplies does the buying for the other Federal agencies. A substantial portion of their expenditures comes out of funds supplied by the other agencies, for the articles which they purchase.

We recommended \$1,400,000 for the maintenance of that office, which is a reduction of \$350,000 below the estimate.

They requested \$4,000,000 additional for their general supply fund. That is the fund out of which they purchase supplies. Last year they requested \$10,000,000 additional for that purpose, but

after the committee refused to appropriate it, they found that they could get advancements from the other departments, and they were able to operate successfully without the additional amount. This year they said that, with the advancements, they still needed \$4,000,000. The amount of this capital supply fund was \$9,525,000. The committee decided that instead of appropriating \$4,000,000 they would just bring the fund up to \$10,000,000. Consequently, instead of \$4,000,000, the committee recommends \$480,000, roughly, for that purpose.

Under the Bureau of Federal Supplies also comes the stock piling of strategic materials. Let me say to you that nothing that this Government is doing today is of greater importance than the stock piling of strategic material. If we have another war, we certainly do not want to be caught short on rubber, tin, and other materials, as we were at the beginning of World War II. The only way to prevent that from recurring is by stock piling these materials in sufficient amount to supply the Nation. The Munitions Board, which is responsible for this task, has worked out a 5-year program, and that program is advancing at a very satisfactory pace. Our committee did not curtail that program in any particular.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. JOHNSON. I happen to be a member of the subcommittee that drew the Stock Piling Act, and of course I know how short we are on some very critical materials.

We were induced in the amendment we made several years ago to insert a clause which states that if metals and other things were in short supply in the domestic market they should not be stock-piled. I have been sorry ever since that we put that qualification in there because it has acted as a road block to getting the proper stock-pile.

I wish to endorse the gentleman's statement of a moment ago that there is nothing more important to our safety and security than having proper stock piles at this particular time. I wish also to compliment the committee in giving what these men asked in practically every detail.

Mr. GARY. I thank the gentleman from California and wish to say that we did not reduce one penny the budget request for stock piling. The request totaled \$525,000,000, which included \$314,000,000 in new cash and \$211,000,000 in contract authority, plus \$250,000,000 in cash for the purpose of liquidating prior contract authority.

The committee allowed the \$250,000,000 for liquidating the prior contract authority. It did not, however, feel that it was necessary to appropriate the entire amount requested in cash for 1950; so instead of the \$314,000,000 in cash the committee recommends \$275,000,000 in cash. The \$39,000,000, however, which was deducted from the cash, has been added to the contract authority, raising the contract authority from \$211,000,000 to \$250,000,000; so that next year there will be appropriated for stock-piling purposes \$250,000,000 to liquidate

obligations already incurred, \$275,000,000 in new cash, and \$250,000,000 in contract authority. This aggregates the total of \$525,000,000 which has been requested.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be very glad to yield to the gentleman from New Jersey.

Mr. CANFIELD. No Member of the House has been more interested in the stock piling of strategic materials than the distinguished gentleman from Iowa, [Mr. MARTIN]. He is a veteran of World War I, and has followed this item very closely down through the years. I know that he is pleased with the action taken by the committee on this matter.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. MARTIN of Iowa. I wish to thank the gentleman from Virginia for the opportunity to express my point of view on the action of the Appropriations Committee in approving the full amount asked for by the Munitions Board representatives in this program. I am still holding the Munitions Board to task, however, for having required a delivery of only 22 percent of the planned stock pile in two years and a half of a program that was planned to be completed in 5 years.

I wish also to call attention to the fact that until last year the program had lagged terribly. The Eightieth Congress, a year ago, in planning the appropriations for the current fiscal year gave the first forward impetus to the acquisition of strategic and critical materials by more ample appropriations.

While I am glad to commend the Committee on Appropriations for its action in this proposed bill, I wish to put the Munitions Board on notice that I am not settling for any 22 percent, the strategic and critical materials on hand. We cannot fight a 22-percent war. We have had 2½ years under Public Law 520, which was enacted in July 1946, to do a better job than that. I have not overlooked the fact that the RFC crawled out under this loophole my friend from California [Mr. JOHNSON], referred to. They handled \$12,000,000,000 worth of strategic and critical materials, but when this is all settled only \$400,000,000 of that had gotten into the strategic and critical materials stockpile and at the time I made this inquiry a year ago they still had only about \$250,000,000 of that material left. They made complete use of that loophole we allowed to get into Public Law 520. That is one reason why the stock-pile program is lagging.

Mr. GARY. May I say to the gentleman that was one of the reasons we reduced the amount of cash for next year because we did not think the deliveries would be sufficient to require the full amount of the cash requested. I may say to the gentleman, however, that the Munitions Board is running at the present time into real difficulties because of the lack of cash funds. There is now pending before the Deficiency Committee of the Appropriations Committee a deficiency request for this year.

The Chairman of the Committee on Appropriations, the gentleman from

Missouri [Mr. CANNON] was with us when we heard the Munitions Board and when that board pointed out the situation to the chairman of the Committee on Appropriations, although its request had not yet been transmitted to the Congress, he assured them that as soon as it reached his committee it would receive immediate consideration.

Mr. MARTIN of Iowa. I am glad to have that additional assurance because I think there is room for some timely help in taking advantage of the supply of materials that may now be available provided they get the funds.

Mr. GARY. That is unquestionably true. That should be taken care of and will be taken care of, no doubt, in the deficiency appropriation for this year. This is needed vitally and immediately. We feel we have provided ample funds for next year. As a matter of fact, we have recommended everything they requested.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that the Bureau of the Budget cut somewhat the funds requested by this agency, and that our committee allowed all that was recommended by the Bureau of the Budget?

Mr. GARY. Yes.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from North Carolina.

Mr. DURHAM. This is a problem, of course, which is the heart of our defense program. Public Law 520, which was reported by the Committee on Military Affairs, and which the gentleman from Iowa and I sponsored, provided for a report to be made to the Congress every six months. Was that report made available to the committee in arriving at a conclusion as to the amount to be appropriated for the strategic materials stock pile?

Mr. GARY. Yes.

Mr. DURHAM. The committee had that report before it?

Mr. GARY. The chairman and other representatives of the Munitions Board came before the Committee and presented charts and went very fully into all of the problems. We had a very complete hearing.

Mr. DURHAM. The committee went fully into the report on each item?

Mr. GARY. Yes, into the various items. On the chart they showed the various needs and exactly what they were contemplating. Of course, much of this information is such that it cannot be divulged on the floor of this House.

Mr. DURHAM. Yes, that is true.

Mr. GARY. But the committee was in executive session and they gave us the various items in detail.

Mr. DURHAM. We have the same report in the Armed Services Committee made available to us. I am sure it would be necessary to have this information, otherwise the committee could not act wisely on appropriations.

Mr. GARY. The committee went into that very fully with the Munitions Board,

with the Bureau of Federal Supplies and with the Army.

Mr. DURHAM. This is not only a program that aids in our national defense, but it is very necessary to keep our mining interests in operation in this country. There are some items in there at the present time I am sure the chairman of the committee is aware of that are in very short supply. There is some legislation pending on those items at the present time.

Mr. GARY. It is very essential to our entire civilian population.

Mr. DURHAM. That is correct.

Mr. GARY. As well as the mining interests. If our industries are going to run in time of emergency then they must be supplied with materials. If we do not have those materials the industries cannot produce.

Mr. DURHAM. I want to congratulate the committee on bringing out this amount of money at the present time. Last year, as the gentleman knows, we had to go after a supplemental appropriation by which we did do a pretty good job on this stock piling which had been neglected for sometime.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. SHAFER. I merely want to make an observation that as Chairman of Subcommittee No. 3 in the 80th Congress I had considerable to do with the legislation concerning the stock piling of strategic materials. I want to say now that we are neglecting a most important program. In Michigan, for instance, we have copper mines that are under water today, and it will take seven years to get them out from under water to produce? It is up to this Congress to see that this program is carried out in its entirety.

Mr. GARY. I do not want to get into an argument as to the efficiency of the program. I do want to say, however, that I will not agree with the gentleman that we are neglecting it. It may be possible that we are not doing all we could do in connection with this program, but if we are not, that is not the responsibility of our committee, because we are allowing them everything that was requested. If the stock piling activities are not proceeding at a sufficiently rapid pace, then somebody else should be prodded rather than our committee. We are unanimous in our agreement as to the importance of the program.

Mr. SHAFER. I agree with the gentleman to a certain extent, but I want him to recall that in the last Congress the stock piling appropriation was cut from \$750,000,000 to about \$225,000,000, and until the Congress did something about it it remained at \$225,000,000. After the Congress got busy and called attention to the fact that this amount had been cut by the Bureau of the Budget on recommendation of the President, nothing was done. But, after we did call attention to that fact it was increased back to the original amount as set forth in the original legislation.

Mr. GARY. Our committee this year is allowing \$775,000,000; \$250,000,000 to pay on previous obligations, \$275,000,000

of new money, and \$250,000,000 of new contract authority.

Mr. SHAFER. It is a drop in the bucket as to what we are spending in other places in the world as far as our preparedness is concerned.

Mr. GARY. Well, that is all that our committee was asked to appropriate.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. It was the unanimous feeling of our subcommittee that the new Chairman of the Munitions Board, Mr. Carpenter, had put some zip into this program, and it was being accelerated.

Mr. GARY. That is unquestionably true, and we were very much gratified at the progress that is now being made.

Now, with reference to the Coast Guard, and I must be very brief as to these other items, last year our committee had the feeling that possibly the Coast Guard was trying to create a second navy. The Coast Guard has a very important function to perform, particularly in the matters of safety and shipping, but to be certain that there may be no overlapping between the activities of the Coast Guard and the activities of the Navy, the chairman of the Committee on Appropriations and the Secretary of the Treasury agreed upon an outside agency to come in and make a survey. This agency was known as the Ebasco Agency. As is quite frequently the case when we appoint surveys for the purpose of efficiency and economy, they frequently result in efficiency but seldom result in economy. The Coast Guard this year used that very report as the basis for asking for a large increase in funds.

One of the greatest defects we have found in the Coast Guard is the lack of a proper accounting system. The survey recommended the employment of an accountant and a supply officer. That has been done and they are installing today a modern accounting system in the Coast Guard. Our committee was greatly gratified at the improvement that has been made in the efficiency of the Department, and we have allowed what we think is necessary to keep up that pace during the next year.

The Post Office Department occupies a very unusual position. In the first place, they have very little to say about what they shall spend, because the ICC tells them what they shall pay the railroads for hauling the mail and the Civil Aeronautics Board tells them what they shall pay the air lines. Two years ago the railroads filed an application with the ICC for an increase of 45 percent in the rate structure for handling the mail, and subsequent thereto filed an amended application requesting a 65 percent increase instead of a 45 percent increase. The ICC allowed a 25-percent temporary increase.

For the first time the Post Office is undertaking to present a strong defense to these applications. The Post Office today has a very efficient solicitor, and he has brought in an expert in rate matters to handle these cases before the ICC. They are putting up a defense, yet

whatever the ICC determines is the proper amount the Post Office will have to pay.

The estimated deficit for the Post Office Department for 1949 is \$526,000,000. The estimated deficit for 1950 is \$522,000,000. In other words, the Post Office Department is giving approximately half a billion dollars a year to the users of the mails by carrying the mails at less than cost. The only class of mail handled by the Post Office Department that is on a paying basis is first-class mail.

I have here some figures which were just released on yesterday that show the actual deficits by classifications for the year 1948. This is a cost-ascertainment report of the Post Office Department. I shall give you these figures in round numbers, and the totals may not add correctly because of the elimination of some of the small figures.

In 1948 the profit from first-class mail was \$154,300,000, the profit from postal savings was \$19,000,000, and the other, unassignable profits, were \$21,900,000. That constitutes the entire profits of the Post Office Department. On the other hand, here are the losses: On second-class mail, \$163,400,000. What does that mean? Newspapers and magazines are classified as second-class mail. That means that the Post Office Department is subsidizing the newspaper and magazine publishers to the tune of \$163,400,000 a year.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CANFIELD. Last night the Scripps-Howard papers in the United States carried an editorial in which they expressed their willingness to pay their way. They said that the newspapers of our country, which are forever editorializing against subsidies should not be expecting subsidies themselves. It was a very good editorial, written in the interest of the taxpayers of our country.

Mr. GARY. I am very glad the gentleman has made that statement.

Third-class mail consists of advertising matter and parcels under 8 ounces. Last year the loss on third-class mail was \$86,700,000. What does that mean? It means that the Post Office is subsidizing mail order houses and other commercial users to the tune of \$86,700,000.

We hear a great deal of talk about the subsidies given to the farmers of this Nation, but we do not hear much about the subsidies given to other commercial interests through the Post Office Department.

On fourth-class mail, which is parcel post, the loss this last year was \$76,100,000. Let me tell you something about the parcel post. We have increased the size of packages that the Government can carry by parcel post. The railway mail companies have increased their rates so that they have a minimum of \$1. Therefore, all unprofitable packages which were previously carried by the railway mail service are being carried today by the Post Office Department, because the Post Office Department is carrying them at less than cost.

On domestic air mail the loss was \$27,100,000.

On foreign mail, \$1,700,000.

Foreign air mail, \$27,800,000.

Registered mail, \$9,600,000.

Insurance, \$1,100,000.

C. o. d., \$6,200,000.

Special delivery mail \$11,600,000.

Money orders, \$28,900,000.

Postal notes, \$4,000,000.

That makes a total net loss, after deducting the profit from first-class mail, of \$249,200,000 on revenue-producing mail service.

In addition to that, the penalty mail amounts to \$3,100,000.

Franked mail, \$362,000.

Free mail for the blind, \$353,000.

Free registered mail, \$7,600,000.

Nonpostal services, \$18,700,000.

That makes a grand total of losses of \$308,972,000.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PACE. Have the gentlemen of the committee made any estimate of what the increased cost would be to the average newspaper, if the second-class rate should be raised to where that service was self-supporting?

Mr. GARY. The committee has not made any such estimate. That is not within the province of our committee. The Postmaster General on February 21, 1949, submitted to the House of Representatives detailed suggestions for additional increases in postal rates and services. His recommendations have been incorporated in the provisions of a bill, H. R. 2945. That bill is now before the Committee on Post Office and Civil Service. It is within the province of that committee and the Congress of the United States to fix rates for these various classifications of mail. All that our committee is trying to do in this report is to point out the facts and to urge upon the Congress the necessity for placing the Post Office Department on a self-sustaining basis.

The committee unanimously recommends to the Congress that they give immediate consideration to that subject.

Mr. PACE. Mr. Chairman, will the gentleman yield further?

Mr. GARY. I yield further.

Mr. PACE. I was very much interested in the question I propounded for this reason: As the gentleman knows, in a democracy, where the people are supposed to rule, it is more important than in any other form of government that the people be kept informed; that they receive the daily newspapers; that they have an opportunity to receive them at what we might call a nominal cost. Therefore, in my own personal study of this question, there has come to my mind the other side, as to whether or not if we made the newspaper pay its entire cost of distribution through the mail, it would result in raising the cost of subscription to the newspaper to such a rate as would substantially reduce the circulation.

Mr. GARY. I will say to the gentleman that that is unquestionably an argument to be advanced against the

increase in rates. This bill does not deal with increases in rates. We have no authority to consider that subject, but we are urging that this Congress give the matter earnest and serious consideration.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] has consumed 1 hour.

Mr. CANFIELD. Does the distinguished gentleman desire additional time?

Mr. GARY. I think I have concluded my remarks, thank you.

May I say I am sorry I did not know I was consuming all of the time allotted to our side. I have only one request for time, but I am anxious for some of my colleagues, other members of the committee, to be heard. If the gentleman from New Jersey has some extra time, I will appreciate it if he will allow them some of his time.

Mr. CANFIELD. I am pleased to say to the chairman of our subcommittee that I do have extra time, and I shall be happy to accommodate his request.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. CANFIELD. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, I feel it is a good omen that this bill is brought up on the birthday of our distinguished Parliamentarian, Lew Deschler, the right arm of the Speaker, and the savior of many chairmen of the Committee of the Whole House on the State of the Union.

It is very pleasing to me to have the Treasury-Post Office appropriation bill again brought before the House with a unanimous subcommittee report, as it did throughout the Eightieth Congress. This is further evidence of the non-partisan approach which the subcommittee has continued to take in providing funds for these two service agencies. I have had several opportunities to express in the House the deep affection I hold for the gentleman from Virginia [Mr. GARY], and what I have said in past years of his work as ranking minority member of the subcommittee is equally true now that he has assumed the chairmanship. He has been fair and courteous to everyone, has permitted thorough consideration of the estimates while operating the hearings with dispatch and order.

The gentleman from Virginia [Mr. GARY] has a unique background for his assignment because of his experience as head of the Tax Department in his native State of Virginia and his work on the House Legislative Committee dealing with Post Office matters. He is characterful and for my money he is "the salt of the earth."

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. FERNANDEZ. The gentleman very adequately expresses, I am sure, the sentiments of every member of the subcommittee.

Mr. CANFIELD. I thank the distinguished gentleman from New Mexico.

It has also been a pleasure to serve with the chairman's two colleagues on

the majority side the gentleman from New Mexico [Mr. FERNANDEZ] who has just joined me in this tribute to our subcommittee chairman, and the gentleman from Louisiana [Mr. PASSMAN]. Both were newly assigned to the committee this year, although they are veterans of this House; they have good legal and business backgrounds and they acquitted themselves very well. Unfortunately, the gentleman from New York [Mr. COUDERT], who was originally my associate in the minority, was taken ill early in the hearings. He is now convalescing in the Southland, and we hope for his speedy return. Everyone knows of his outstanding record of service both in the New York State Legislature and in this Congress. The gentleman from New York [Mr. COUDERT], is one of the greatest lawyers in the land. We did not have the full benefit of his experience which I know would have resulted from his continued service with us this year. In his absence the committee was fortunate to have the gentleman from Oregon [Mr. STOCKMAN] substitute for the gentleman from New York, and his was a happy choice, bringing a representative of the great Northwest to the subcommittee, which considers many vital matters involving that region in which he lives and which he represents so well. The gentleman from Oregon [Mr. STOCKMAN] in physical stature is the biggest man in the Congress of the United States, and I want to bear this witness, he is also big in mental stature, his mental processes are trigger-like, and he has exerted his abilities in these hearings and made a real contribution.

It is also good to have the opportunity to express thanks and appreciation to the executive secretary of the subcommittee, Mr. Kenneth Sprankle, who entered a new field when our hearings started. He promptly showed his ability to grasp the subject and he has rendered us much valuable assistance. He is a veteran in congressional experience.

I shall not comment too much on the bill itself. The two major titles cover the Treasury and the Post Office. Both of them are service agencies, and their work load and expenditures are largely determined by outside factors. It is particularly difficult to determine so many months ahead the work load of the Post Office, which has the right to request and receive supplemental funds if shown to be necessary for the proper expedition of the mail. There may be places where cuts have been a bit too deep for personal services and deficiencies will be incurred. At the same time, however, it is the feeling of the subcommittee that these may be obviated if the present business recession is continued or expands. I see no need for any deficiency or supplemental appropriations for objects other than personal services during the fiscal year 1950. Your subcommittee has been most cautious in making sure that the efficiency of these two departments, as well as the other two agencies included in this bill, the Export-Import Bank and the Reconstruction Finance Corporation, will not be impaired. They may have to economize somewhat, but there are mighty few, if any, instances where

economies cannot be made without loss of efficiency and service.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from California.

Mr. JOHNSON. I believe that the Post Office Department could raise its efficiency if they appointed career men to the top jobs in the service. In 1920 it was my privilege, a Republican, to persuade Senator Phelan of California, a Democrat, to appoint a man out of the Stockton post office to become the postmaster, over the pleas of politicians to put in a purely political appointee. Frankly, I cannot understand why the post office is not run by men who are trained in the service, but invariably the man who gets the top post gets it because of some political work. That applies alike to Republican administrations and to Democratic administrations. You have the curious situation that the man who is appointed to the post-office job which pays the highest salary and gives him the most power is trained to do the job by people who are his subordinates and get only a fraction of his salary. I am looking forward to the day when people who devote their lives to the postal service may have the opportunity of looking forward to getting the top spot in their post office or somewhere else in the Department.

I mention this because I know the gentleman last year commented on the fact that President Truman appointed Mr. Donaldson, a career man, as Postmaster General of the United States, which was a very good example, and I hope it will be followed all through the service so that these career men may have the opportunity of getting the best job if they render an efficient service.

Mr. CANFIELD. I am glad to hear the gentleman from California make that statement, because I know how close he has been to the postal service and how much he has been interested in better service in his part of the country. Last year he was very helpful to the subcommittee in calling to our attention some deficiencies in the far West, notably in the State of California, all of which are being corrected. I am sure he does not mean to say that the man now heading that Department is in anyway an amateur. Mr. Donaldson, as the gentleman intimated, is a career man. He has had 44 years of service, having started as a letter carrier. He has really applied himself to his assignment. Further, he testified this year before our committee that in appointing new postmasters the appointments of career men were on the increase.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman mentioned the fact that today is the birthday of our Parliamentarian, Mr. Lew Deschler.

Mr. CANFIELD. May I say to the gentlewoman from Massachusetts that I mentioned that in my lead-off statement. I said it was a good omen that this bill was being brought up on his birthday.

Mrs. ROGERS of Massachusetts. I would like to join the gentleman in wishing Mr. Deschler a very happy birthday. We are all indebted to him for his work during the years. He is loyal to every Speaker under which he serves, but he must be absolutely honest in his interpretation of the legislation that is offered and passed. He is endlessly patient in advising those of us who ask for information regarding legislation. He deserves the best there is.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Washington.

Mr. HORAN. I suggest that the amity that exists on this subcommittee between the gentleman from New Jersey [Mr. CANFIELD] and the gentleman from Virginia [Mr. GARY] is also a nice birthday present for Mr. Deschler.

Mr. CANFIELD. I thank the gentleman and I am sure the gentleman from Virginia [Mr. GARY] is appreciative.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Kansas.

Mr. REES. The distinguished chairman of this great subcommittee has given considerable attention to the matter of individuals being appointed to certain positions because they are qualified for their jobs. He tells us that he hopes the time will come when career people will get these higher-pay positions.

While the Postmaster General was before the subcommittee I wonder whether anything was said with respect to appointments to certain jobs, for instance as rural-mail carriers and such jobs as that, and whether the appointments are made of men who get the top grades or whether these men are selected on a political basis? Has that matter been discussed?

Mr. CANFIELD. May I say to the gentleman from Kansas that was not discussed. That would be a matter to be discussed by the committee of which the gentleman is a member, the legislative committee. The gentleman from Kansas knows that our committee is an appropriating committee.

Mr. REES. I just wondered if the gentleman does not care to comment on that.

Mr. CANFIELD. I will say this much, that the gentleman who is speaking in the well of the House is not so naive as to fail to realize that that situation has been going on for many years in both Republican and Democratic administrations.

Mr. REES. That is right.

Mr. CANFIELD. I am hopeful that the recommendations of the Hoover Commission, which will go a long way toward eliminating that abuse, will be approved by this Congress. Both the Secretary of the Treasury, Mr. John W. Snyder, and the Postmaster General, Mr. Jesse M. Donaldson, are men with sound training, high moral character, and faithful public servants. They can be trusted to do the best possible job with the money we have allowed them to effect savings wherever possible, and to provide efficient service.

I want to salute particularly three agencies in the Treasury, which were the subjects of management surveys last

year, and which have profited by those surveys and today are doing a better job therefore. They are the Coast Guard, under the leadership of Admiral Joseph W. Farley and the chief of his planning and control staff, Captain Richmond; the Bureau of Customs, under Acting Commissioner Frank Dow; and the Bureau of Internal Revenue, headed by Commissioner George Schoeneman. And while praises are being sung, I want to single out Mr. Paul Banning, head of the Division of Disbursement in the Treasury, who appeared before the subcommittee to ask less money than he had last year, and who said: "We had a saving, and we turned it back to the Treasury." It is not the first time he has asked us for less money; he has made a record, and he is an inspiration to others.

When Paul Banning made that statement I interrupted him to say this: "I think that the Secretary of the Treasury, Mr. Snyder, should take the statement you have just made and see that it is properly framed and hung in every Federal agency in this country, each to bear the name of Paul Banning, Chief Disbursing Officer, United States Treasury."

Further along in his testimony Mr. Banning made this statement: "We may have to effect more economies this year," and in making that statement he seemed to feel as if he were being challenged to do a better job, and all of the members of the committee were exceedingly pleased with his presentation.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Massachusetts.

Mr. KENNEDY. The gentleman knows that in the examinations that have been given the last 3 years by the College Entrance Examination Board that the cadets at the Coast Guard Academy have finished ahead in their average marks of the midshipmen at Annapolis and the cadets at West Point, which is a good indication of the caliber of men they are getting in the Coast Guard.

Mr. CANFIELD. I thank the gentleman.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentlewoman from Ohio.

Mrs. BOLTON of Ohio. On the matter of the Coast Guard, can the distinguished gentleman inform us why the contemplated chapel at New London is to be partly financed by private donations? That there has never been a chapel at the Coast Guard Academy seems strange. Some of my constituents who have been solicited for contributions have asked me why. They apparently feel it would be suitable for the Government of the United States to erect a chapel for the Coast Guard just as it has at Annapolis and West Point.

Mr. CANFIELD. May I say to the gentlewoman from Ohio that that matter was not called to our attention by the Coast Guard. However, we are glad to hear about it now.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from California.

Mr. McDONOUGH. In reference to the section of the bill having to do with motor facilities in the Post Office Department, I see the committee has provided \$5,631,000 for the purchase of trucks and tractors for the delivery of the mail. That is new equipment, is it?

Mr. CANFIELD. That is right.

Mr. McDONOUGH. We have a problem in Los Angeles County now.

Mr. CANFIELD. Our subcommittee is aware of that, and it was explored most thoroughly last year and this year.

Mr. McDONOUGH. We have a wide expansive day delivery, and we have been tolerating an inefficient truck-delivery system for a long time. We have some trucks so old we cannot even buy the parts from the manufacturers any longer. I trust that out of this \$5,631,000 a proportionate share to meet the urgency and necessity in Los Angeles county will be forthcoming. What Assistant Postmaster General could inform me of the proportionate share we may receive?

Mr. CANFIELD. Mr. Burke, the First Assistant Postmaster General, also Mr. Myers, the Fourth Assistant Postmaster General.

May I say to the gentleman from California that the subcommittee is aware of his interest in this problem. He discussed it with the subcommittee last year, and we were given assurance by Postmaster General Donaldson that the problem in his section of the country would be met. The employment picture in California has improved; more people are seeking employment in the postal service out there. The big difficulty at the moment is the shortage of space. Space in Federal buildings is inadequate, and satisfactory leased quarters cannot be found. Highway postal service has eased the situation somewhat around Los Angeles. Los Angeles has the only helicopter mail service in the country, and it has been very valuable in speeding up mail service in that area as page 114 of the hearings shows. Over half the appropriation in this bill for electric-car service will go to California.

Mrs. BOLTON of Ohio. If the gentleman will yield further, on the matter of the Post Office, did the subcommittee go into the matter of the cost to the Department of all these special stamps?

Mr. CANFIELD. Yes, indeed. I am going to discuss that further in my presentation this afternoon.

Mrs. BOLTON of Ohio. May I ask if your discussion will include the number of stamps demanded by legislation as well as those that are automatically printed by the Department?

Mr. CANFIELD. That is right.

Mrs. BOLTON of Ohio. I thank the gentleman.

Mr. CANFIELD. I have made reference to Customs, and therein lies what I consider to be the most interesting story of our subcommittee's work these last 2 years; yes, the top story of the full committee's work. You may recall that in 1947, when this committee reported to you a \$3,000,000-plus cut in the \$36,000,000 request of Customs for the fiscal year

1948, there was a hue and cry throughout the land. The then Commissioner of Customs fired and furloughed border and port guards right and left, and governors, mayors, chambers of commerce, and what-have-you moved on Washington. A portion of the press editorialized that a great crime had been committed. What was the aftermath? I shall tell you.

Our committee undertook an investigation by an independent engineering concern, the Senate Committee on Executive Expenditures moved in and the Secretary of the Treasury ordered Customs to take a self-inventory. In a few weeks a great proportion of the men fired or furloughed were returned to their posts, the Commission of Customs was relegated to a less important position and the Secretary of the Treasury, Mr. Snyder, expressing regrets over what had happened, assured me that Customs would do a real job under its appropriation. They did just that and now listen. Customs came back the next year and its request for funds—those for fiscal 1949—were \$500,000 less than granted them the year before when those not interested in saving money for the taxpayers of the United States tried to do a job on this committee. Our detractors were 100 percent wet and our work has been fully borne out as proper and wholesome.

Mr. Chairman, in the hearings this year I have commended Secretary Snyder, his Under Secretary, Mr. Wiggins, and the Acting Commissioner of Customs, Mr. Dow, and the whole Customs establishment for applying themselves and doing a real job. They tell us frankly that the investigation and self-inventory made these last 2 years not only promoted efficiency, but will in time develop new economies in their Bureau. And listen also to this. They thank us for what we did for them.

In some field offices of the Treasury employees are getting higher salaries than the head of the Bureau, and in one instance even more than the Secretary of the Treasury. I asked Secretary Snyder what he thought of this condition, and he quite rightly termed it an outrage. Interesting material on this appears on page 27 of our hearings. The Commissioner of Internal Revenue, who is charged with collecting over \$43,000,000,000, receives only \$10,000 per year; less than some national bank examiners. The Commissioner of Customs receives \$10,000 a year, while there is under him a collector in one port receiving \$12,000. These two Commissioners are responsible for bringing in most of the revenues which are required to operate the Government. They operate in highly specialized and technical fields. Yet their salaries are disgracefully low. The Post Office Department, the biggest business in the world, is headed by a man receiving \$15,000 and three Assistant Postmasters General each receiving only \$10,000. I hope that when this appropriation bill comes before us next year we will have the legislative authority necessary to pay these top-level people higher salaries, more commensurate with the heavy responsibilities they bear.

Our hearings on the Post Office Department brought out many things which will require legislative action, originating with another committee. It cannot be successfully denied that the present Post Office Department has grown in a rather unplanned fashion. It is hemmed in and tied down by restrictive rules and regulations, its revenue is determined by several outside agencies, its expenditures controlled by Congress, and its work dependent on the mailing habits of the people. It is often too closely associated with political activity. Many of its activities are carried on in archaic and outmoded fashions. The largest business in the world, it is still dependent on foot power and manual operation for a large part of its activity. As has been said before, the post office is handling now a record-breaking volume of mail, and is facing problems which it has never been called upon to face before. We are obliged to appropriate the funds to carry on the work of the department as it is presently constituted, for it is not within the power of the Committee on Appropriations to change the legislative authorities of the Department. I have great confidence in the ability of the postal workers not only in the very able and capable leaders in the Department here in Washington but also in the supervisors and the clerks and the carriers in the field, to surmount these obstacles and keep the mail moving. The record of postal workers for loyal and faithful service is unsurpassed, and I know we can count on them to do their best with whatever money, whatever authority, we give them.

Nonetheless the evidence presented to the subcommittee this year, and my experience as chairman of the group for the last 2 years, and as a member thereof in prior years, convinces me that we must take action at an early date to effectuate the very necessary and intelligent recommendations of the so-called Hoover Commission as they affect this Department. Any delay in so doing will cost millions of dollars, and, in my opinion, will eventually interfere with the handling of the mail in efficient fashion.

Mr. CROOK. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Indiana.

Mr. CROOK. Observation over the last several years convinces me that this class of citizens throughout our great Nation that is constantly condemning the United States Post Office Department for going in the red is the same group of individuals that are asking for the greatest amount of subsidy. Now we know how to put the United States Post Office in the black, and we can eliminate this big trouble that they are kicking about. But when we do it the people who today are being subsidized are going to pay their fair share, or we will have to have taxes which will bring the appropriation in to counteract that situation. I do not like to see those people who are getting the greatest benefit condemning a political party for something that the party is not responsible for.

Mr. CANFIELD. I thank the gentleman, and I am sure that he subscribes

in full to the statement in our report on that subject.

It is only natural that some of the people in the Department do not take kindly to these recommendations; they have lived all their lives, and worked for years, under the existing situation. They have seen the present system work in the past, and they have seen it deliver the record volume of mail in recent years, although we know that the system has creaked and groaned sadly in so doing. Yet to an impartial observer, changes are necessary. Now we have an over-all plan under which such changes can be made, economies effected, and efficiency improved. We cannot afford to pass by this opportunity and I urge the Congress to act as speedily as possible on the Hoover Commission's recommendation for reorganizing the Post Office.

I want also to comment on another matter dealing with Post Office legislation and that is the matter of passing bills for commemorative stamps. The very competent and hard-working Third Assistant Postmaster General, Mr. Joseph Lawler, discussed this with the committee and I am sure that many of you saw the article on these commemorative stamps in a January issue of Life magazine. You may also have seen the editorial captioned "Pressure group stamps," in the Washington Star of February 7, which I will place in the RECORD at this point, as part of my remarks:

PRESSURE-GROUP STAMPS

The Eightieth Congress authorized and directed the Postmaster General to issue more than 20 postage stamps which philatelists have stigmatized as undesirable. Most of the unwanted labels were intended as compliments to groups and individuals who ordinarily would not have been so honored. Political pressure was the explanation. The character of the Nation's postal adhesives was stultified to accommodate selfish interests. One of the stamps was a publicity stunt staged by the publisher of a magazine of the poultry trade. It featured an egg and a rooster, but no hen.

And the Eighty-first Congress is following in the steps of its predecessor. The day it assembled saw the introduction of several bills requiring the manufacture and distribution of stamps which the Postmaster General uncoerced never would have considered. One of the stickers demanded would glorify the trotter Hambletonian; another would advertise the centennial of the Angora goat. The resolutions authorizing and directing these obviously unworthy issues probably will be passed. Both are indorsed by important political forces.

Meanwhile, a proposal for a series of stamps in aid of educational campaigns for improved public health remains unnoticed by the House and the Senate. The American Cancer Society has submitted four attractive designs for a label to "point up" its drive in April. Similar adhesives have been requested to help the crusades against tuberculosis, poliomyelitis, and heart disease. A stamp to dramatize the Forestry Service's endeavor to halt forest fires was suggested more than a year ago, and the soil conservation efforts of the Government have been urged as meriting such help. Stamps for half a dozen national parks hitherto not pictured also are pending.

What makes the mistaken policy of Congress so deplorable is the fact that, when the Post Office Department schedule for new

issues is crowded with unworthy stickers, stamps which are of national significance and therefore deserve to be produced are pushed aside. This happened in 1948, and may happen again in 1949, unless Senators and Representatives heed the protests of the philatelic fraternity which pays the engraving and printing costs of all new postal labels.

Last year there were 29 commemorative stamps issued. This large number is confusing to the public; detracts from the philatelic value to stamp collectors; and lessens the honor intended. The Post Office is opposed to such great numbers of special issues; the press is indicating opposition, and I am sure that the general public is confused and tired of the situation.

I urge on the Members the greatest care in future consideration of bills calling for commemorative stamps and hope that every effort will be made to cut down on the number requested. By the same token, special commemorative coins are a burden on the Mint and confusing to the public, and should not be encouraged.

While we are considering the Post Office, I want also to point out one group of postal employees generally overlooked, and that is the supervisory employees, particularly the assistant postmasters. Because they are not covered by overtime-pay laws, these supervisory employees, on whom rests much of the burden for the handling of mail and the special services of the Post Office, receive less take-home pay than clerks and carriers in the same offices. This is brought out on page 61 of the hearings on this bill. It is destroying in some cases the incentive for a man to seek a higher position. It will tend to lessen the interest and destroy the morale of the supervisors. They should be given special consideration in the way of pay increases. The case of assistant postmasters should also receive consideration. In a great many post offices, the assistant postmaster is a career man who is the actual executive head of the office. Great are his burdens and responsibilities, both to the Government and to the people. Yet these men are frequently underpaid under the present formula for fixing their compensation. I sincerely hope that the legislative committee on the Post Office will give this matter thorough study at an early date.

I have already mentioned the recommendations of the Hoover Commission on the Post Office. I would also urge upon the Members full study and early consideration of the report of that Commission on Federal purchasing. At the present time the Bureau of Federal Supply is in the Treasury Department and funds for it are carried in this bill. The Post Office also does some purchasing for the other Government agencies. A reading of the hearings on this Bureau, not only for this year but for past years, will show the need for an overhaul. There is at present no uniform statutory requirement on purchasing and the authority of the present Bureau of Federal Supply is a legislative hodge-podge. It is not the most economical system which could be devised, nor is it the most effi-

cient, although the Bureau as now constituted, is an improvement over past practices, and the men who head it are trying to do a job. The Hoover Commission's recommendations on this subject and related matters on an Office of General Services are excellent, and I hope they can be adopted in the near future, not only insofar as they directly affect this bill before us today, but as a general improvement, the need for which this bill emphasizes.

I hope that this appropriation bill will be approved. It is nonpartisan. It has a unanimous subcommittee report. It meets the needs of the departments and gives some needed economies to the taxpayer.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. GARY. Mr. Chairman, I wish to ask the gentleman from New Jersey if he will be so kind as to yield 10 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. CANFIELD. First, may I ask the Chairman how much time I have remaining?

The CHAIRMAN. The gentleman from New Jersey has 25 minutes remaining.

Mr. CANFIELD. I gladly yield 10 minutes to the distinguished member of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN].

The CHAIRMAN. The gentleman from Louisiana [Mr. PASSMAN] is recognized for 10 minutes.

Mr. PASSMAN. Mr. Chairman, I wish to say at the outset that the most pleasant assignment I have had since becoming a Member of Congress has been membership on the Treasury and Post Office subcommittee of the House Appropriations Committee under the very able leadership of my chairman, the gentleman from Virginia [Mr. GARY] and with the distinguished ranking minority member, the gentleman from New Jersey [Mr. CANFIELD].

We have been asked in the Treasury bill to appropriate money to the Treasury Department for paying interest on the overpayment of income taxes.

On January 13, 1949, I introduced H. R. 1409 which was a duplicate of H. R. 2667 introduced by me on March 20, 1947. My bill would reduce the interest on overpayment of income tax from 6 to 2 percent.

In discussing my bill with Secretary Snyder, he stated that the average interest on long-term Government securities yields an average of 2½ percent per annum, and on short-term securities, that is those with a 1-year maturity, yields 1¼ percent. Certainly there is no justification for paying 6 percent interest per annum on overpayment of income tax, especially since it has been established that many taxpayers are purposely overpaying their income tax so as to receive a 6-percent investment. I direct to the attention of the Members that overpayment of income taxes is refunded within an average of 11 months after overpayment. If the recipients are paid 2 percent, that is a greater yield than they would receive on any other Government security.

The overpayment of income tax today is in excess of \$2,000,000,000 annually. This is double the amount of all annual revenue collected by the Federal Government prior to 1918.

Mr. Chairman, I should like to call your attention to the fact that the Treasury Department is requesting \$82,000,000 to pay interest only on overpayment of income tax for fiscal year 1949, and it is estimated that a like amount will be required for fiscal 1950.

I discussed interest rates with the Hon. Frank Dow, Acting Commissioner of Customs, relative to refunds and overpayment of duties collected. He informed me that the Bureau of Customs refunded, during the fiscal year 1948, \$19,000,310. Many of these claims were 2 or 3 years old and the interest rate on refunds of overpayment of customs amounted to zero. In other words, there is no interest on refunds of overpayment of duties.

It will be argued by a few that since the Government charges 6 percent on underpayment of income tax, that it is proper to pay 6 percent on overpayment of income tax. I contend that these two items fall in two different categories and that the Treasury Department is dealing with two different segments of our taxpayers and the subjects are not related. For instance, if I purchase short-term Government securities, the Government pays me 1¼ percent interest, but if I should borrow money from one of the Federal lending agencies on the same basis, they charge me 4 percent interest. This is also true with banking institutions; if they lend you money they charge you an average of 6 percent, but if you lend them money, they pay you an average of 2 percent per annum interest. It should be stated further that if banking institutions or the lending agencies of the Federal Government paid the same rate of interest on securities and time deposits as they charge when lending money, then neither could stay in business very long.

Mr. Chairman, in this day of uncertainty, it is the duty of the Congress to start making adjustments so as to effect savings wherever possible. My bill would save the Government approximately \$50,000,000 annually. If a few such savings could be effected, it would materially reduce governmental expenditures and be a step toward bringing this overexpanded spending program under control. In my opinion, my bill should be considered on its own merits and not in connection with a general over-all tax revision program, because if it is not, the saving may be absorbed or lost in a compromise.

It does not matter whether the idea is original with me or whether the bill is reported out in my name, but it does matter whether or not the Congress takes action.

Mr. Chairman, in connection with the Coast Guard appropriation for pay and allowances for the fiscal year 1949, the Congress appropriated \$71,295,000. The Coast Guard requested for the fiscal year 1950, \$77,425,000 for pay and allowances. The subcommittee recommends \$74,500,000.

There has been some criticism to the effect that the recommended reduction has been too great. I should like to call

the committee's attention to the fact that for the first 6 months of the fiscal year 1949 the Coast Guard obligated only \$34,385,000 of their pay and allowance account.

I should also like to call the attention of the committee to the fact that out of 1,931 total officer complement in the Coast Guard, 929 of these officers are lieutenant commanders or of a higher rank. There are 237 commanders in the Coast Guard against only 171 ensigns. For the fiscal year 1950 the Coast Guard will have a total of 266 full commanders, or an increase of 29 over 1949; and 190 ensigns, which is an increase of only 19. In my opinion, if the Coast Guard continues promoting on this basis, in a very few years the entire officer complement of the Coast Guard will be admirals.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. HAND. Is the gentleman familiar with the fact that what appears on the surface to be a somewhat overmanning in the Coast Guard in ranking officers is due, if not necessarily due, because under the act of Congress they have taken over the entire Bureau of Marine Inspection, which is an officer activity, and probably about, as I recall the figures, some 600 officers result from that activity alone, and therefore the figures which seem to show that the Coast Guard is overmanned in officer personnel is not so at all? It is caused entirely by the fact that they have taken over and absorbed, under our direction, the Bureau of Marine Inspection, and that in truth the amount of officers to enlisted men, if this is taken into consideration, is about 1 to 15, which compares very favorably, indeed, with the other branches of the armed services.

Mr. PASSMAN. I should like to say to the gentleman, as a former officer of the United States Navy, that I know the rank of officer personnel of all branches of the service is supposed to be proportioned on a percentage basis. If all branches of the military service increase the rank of their officer personnel as the Coast Guard does, there is something wrong with the system.

Mr. HAND. I quite agree with the gentleman on the general basis of his thinking, but I again call attention to the fact that that only seems to be so in the case of the Coast Guard because of the fact that they have absorbed the Bureau of Marine Inspection. The Bureau of Marine Inspection, as I am sure the gentleman knows, was a group of civil service officers of a rather high rating, so that when the Coast Guard absorbed that Bureau under our direction, as a result of an Act of Congress, they were obliged, of course, to assign commissions to those former civil-service employees, and that results, of course, in what seems to be an overmanning of officer personnel. But that is the only reason for it.

Mr. PASSMAN. According to the record it is time for reduction in these high ranks. It is not so much the basic differential between an ensign and a full commander, because the longer an officer serves, of course, the larger bonus

he gets, and some commanders draw as much as \$6,600 annually. With the allowance for longevity, in many instances officers of commander rank draw three times the pay of an officer of ensign rank. They have asked for an increase in commander rank for the fiscal year 1950.

Mr. HAND. Is the gentleman referring to commanders or lieutenant commanders?

Mr. PASSMAN. I am referring to commanders. The Coast Guard has 237 full commanders at this time and only 171 ensigns. In 1950 they are requesting an increase of 29 full commanders, which would bring the total to 266, and 190 ensigns, which is an increase of 19 over the 1949 ensign complement.

Mr. Chairman, I hope before the Eighty-first Congress adjourns that I will be privileged to vote for a bill that will increase the postal rates on certain classes of mail. Something was mentioned earlier today about the postal service being a service institution. That is true. I know of one publisher in my own district who places in the mails 1,000 copies of his paper each week, and who is paying less than \$1 to have these 1,000 copies distributed by the post office. Certainly there should be an increase in this category.

I again call the attention of the committee to the large increase in the amount of parcel post being handled by the Post Office Department at a tremendous loss.

It was brought out during the committee hearings that many of the mail-order houses ship as many as two or three carloads of parcel post in 1 day. Express companies have placed a high minimum on shipments, so over a period of years most of the small packages handled by these companies have been shifted over to the Post Office Department; thus, we are certainly subsidizing mail-order houses to the extent of many millions of dollars monthly. I think that a correction should be made. I certainly hope the proper committee gives consideration to drafting legislation that will correct this situation, because we are subsidizing practically every mail-order house in America. That applies also to their catalogs.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Chairman, first, may I congratulate the Treasury and the Post Office Departments on the able leadership that has been shown in this subcommittee on both sides of the aisle, and the fine personnel on this subcommittee on both sides of the aisle. I think it is a happy circumstance, and we can expect progress and good government out of such a combination.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. May I say that that is doubly appreciated, because the gentleman speaking from the well was in the last Congress the efficient and able chairman of a subcommittee which turned in a remarkable performance.

THE LATE J. P. ALVEY

Mr. HORAN. I thank the gentleman.

Mr. Chairman, at a time when we are paying very proper respect to the conduct and the efficiency of servants who work as bureaucrats for the Federal Government, I regret very much to announce to his many friends and acquaintances in this body that yesterday evening one of the finest men to serve in the administration of our Government passed from our midst, the result of a heart attack which could be attributed only to the long and arduous hours he spent on behalf of the people of the United States.

J. P. Alvey, familiarly known as "Perry" Alvey to all who dealt with him, for the past 12 years had been in charge of the Washington, D. C., office of the Bonneville Power Administration in the Department of the Interior. Without a doubt he could be described as one of the best bureaucrats—and I use that term as a compliment—in the entire Government service. During a long and distinguished career as an engineer, utility executive, soldier, and public servant, he became a most trusted friend and adviser of thousands who came to him for assistance. In his years of work in the Bonneville Administration office here, in which his primary responsibility was to serve as the liaison between that agency and us who represent in Congress the territory it serves, no request of ours was too great to be handled nor too trifling to deserve a full consideration. To my personal knowledge, he worked day and night, Sundays and holidays, whenever his duties required, in order to meet the demands of the Congress and the people. I honestly believe he literally worked himself into the grave.

Perry Alvey was born in Galveston, Tex., December 1, 1885. He was graduated from the University of Texas in 1906 and from Massachusetts Institute of Technology in 1907. From that time until 1937 he worked in the construction business and for various utility and railway companies, taking time out to serve as a captain of engineers in the AEF. In 1937 he left his post as general manager of the Chicago & Illinois Valley Railroad to become consulting engineer of the Bonneville Power Administration.

We will all miss him very greatly.

Mr. CANFIELD. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, I have asked for recognition at this time on this 3d day of March that I might bring to the attention of the committee Earl W. Chaffee, the Republican reading clerk, who is in the forty-fourth year of his service in this House, on his eighty-second birthday. Since 1905 he has been within these Halls. He is just an institution, a part of the very

life of the House which he deeply loves. Always courteous, always willing, always smiling, even though at this very moment he is living days and nights of anxiety over the illness of his beloved wife. To meet Earl Chaffee in the Hall, in the Chamber, is a delight indeed.

Mr. Chairman, I ask the membership of the House to join with me in all good wishes to this loyal man. May he long be among us.

Mr. CANFIELD. Mr. Chairman, I yield myself 30 seconds to concur in the tribute of the gentlewoman from Ohio [Mrs. BOLTON]. Mr. Chaffee loved the House of Representatives. Most certainly he is an inspiration to all Members, young and old.

Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I join my colleague the gentleman from Washington [Mr. HORAN] in paying tribute to J. P. "Perry" Alvey who for the 12 years prior to his death yesterday, was head of the Bonneville Power Administration offices in the National Capital.

During my 2 years in Congress, I have had many occasion to call upon my friend, Mr. Alvey, for data and information about the Bonneville power development on the Columbia River.

His response to every request was always prompt and complete. His knowledge of his favorite subject, the development of the great resources of the Columbia River was immense. He was always courteous. He was, in my opinion, one of the ablest and most intelligent of Government servants of the people with whom I have come in contact during my 2 years in the Congress.

What western Congressmen have been able to contribute toward the development of the enormous resources of the Columbia River Valley would not have been possible without the help and assistance given us by Perry Alvey. I have talked with many of my western colleagues and know that they all feel as I do about this able and faithful public official.

The great network of public power facilities that now are everywhere in the Pacific Northwest, adding to the pay rolls and prosperity of that region, will stand forever to the memory of Perry Alvey and others like him who by their planning and labor made these developments possible.

Such men do not die, for the inspiration and fruits of their good work endure forever to benefit millions, still unborn, who will follow them.

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I should like to address a question to the gentleman from Virginia [Mr. GARY] with reference to this \$87,000,000 that you are providing in this bill for the carrying of the foreign and domestic mail at rates set by the CAB, which the Post Office must pay. I know you realize that this total sum includes not only compensation for the carrying of air mail,

but includes in addition a subsidy which is paid to the air lines. The Hoover Commission has recommended that this compensation and subsidy should be separated; that the Post Office should pay only the compensation for carrying the air mail but the Congress itself should determine to what extent we should subsidize these air lines. Do you not think that while you have provided in this bill for the total amount, in the future we should distinguish between compensation to cover the cost of carrying the air mail and the subsidy paid to the air lines.

Mr. GARY. I will say to the gentleman that our committee did go into this question and it is fact that part of the compensation to the air line is a subsidy to them to keep them running so that they can carry the mail. Frankly, I do not think that the subsidy should be considered as a part of the cost of transporting the mail and attributed to the Post Office Department.

If it is necessary to subsidize the air lines of this country, and I am not prepared to say whether it is or not, but certainly if it is necessary, it is a matter that should be considered independently. It is a matter, however, over which our committee has no jurisdiction. At the present time the responsibility for fixing the rates is placed by the Congress with the Civil Aeronautics Board and the Post Office Department is required to report whatever rates the Civil Aeronautics Board requires.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. HAND], who in the last Congress was chairman of the Subcommittee on the Coast Guard of the Committee on Merchant Marine and Fisheries.

Mr. HAND. Mr. Chairman, I want to make it plain that this is not in any sense a controversy between me and the distinguished gentleman from Louisiana [Mr. PASSMAN]. As a matter of fact, if I may make a remark, that has nothing to do with the Coast Guard. I want to congratulate the gentleman on his suggestion concerning the reduction of interest on refunds of income tax, which I think is a long-overdue reform. But I do want to emphasize what I had occasion to say to the gentleman in our recent colloquy about the situation which appears to give the Coast Guard an overmanning in the officer class. I again say that this is entirely caused by the fact that, pursuant to congressional direction, they have taken over the Bureau of Marine Inspection. The Bureau of Marine Inspection, almost without exception, was a group of rather high-priced and rather highly rated civil-service employees. They are experts in that particular field, and necessarily they were of that character. When they were taken over by the Coast Guard, also necessarily, they were not enlisted personnel, but they were officer personnel. And it was wholly because the Coast Guard was required by the Congress to take over this group that there appears to be a disparate number of officers.

As a matter of fact, in that extra number category—and they are an extra

number category—the Coast Guard has a flag officer, 17 captains, 34 commanders, 292 lieutenant commanders, none of which should properly be regarded as a part of the regular military officer personnel of the Coast Guard service. As a further matter of fact, when we disregard that additional officer personnel which has resulted from the absorption of the Bureau of Marine Inspection, the Coast Guard has authorized in the flag rank 2 less than the statutory amount allowed; 7 less in the rank of captain; 12 less in the rank of commander; 22 less in the rank of lieutenant commander; 56 less in the rank of lieutenant. There is some increase in the rank of lieutenant, junior grade. The Merchant Marine safety function is almost entirely an officer function, as I recall it. I think I have the figures and I think they are accurate. There were 650 billets for officers in that particular branch, the marine inspection service, and only 184 billets for enlisted men. When we disregard what has always been, until recently, a purely civil function, we find that the ratio of enlisted men and officers in the Coast Guard Service is approximately 1 to 15, which compares very favorably indeed with the other armed services in this country. I say this is no controversy between me and the distinguished gentleman from Louisiana. He is just as friendly to the service as I am, but I feel it my duty to point out that that is the true situation, in my opinion.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. PASSMAN. Will the gentleman tell the committee when this condition will be corrected?

Mr. HAND. As long as we have the Marine Inspection Service in the Coast Guard, whose men are in a very special rank and special duty, we may have some disproportion. I suppose it will be gradually adjusted downward sometime somewhat, as these men go out of service and as lesser-rank officers come in.

To go into some detail, Public Law 219 of the last Congress integrated into the Coast Guard personnel of the former Bureau of Marine Inspection and Navigation. Because of their relatively high civil-service ratings it was necessary to commission this personnel as officers in the higher ranks, and this tends to give a distorted picture of the rank structure in the Coast Guard. All of these officers are carried as extra numbers, as prescribed by law enacted by Congress, and as attrition thins their ranks and their positions are filled by newly appointed officers the over-all rank structure will tend to be equalized. Until time remedies the situation there is no effective action that the Coast Guard can take to correct this problem. At the present time there are 344 officers in the extra-number category in the various ranks, as follows:

Flag	1
Captain	17
Commander	34
Lieutenant commander	292

Disregarding these extra numbers and using the percentages authorized by law for the Coast Guard, which, incidentally, are comparable to the percentages allowed for the Navy, we find in fact that

of the 1,582 officers, excluding extra numbers on board on March 1, the Service has not availed itself of the full percentage for flag officers and actually has less in each senior rank than the number authorized by law, for example:

Grade	Statutory (percent)	Number authorized	On board	Difference
Flag	0.75	12	10	-2
Captain	6.00	95	88	-7
Commander	12.00	190	178	-12
Lieutenant commander	18.00	285	263	-22
Lieutenant	24.81	392	336	-56
Lieutenant (junior grade) and ensign	38.05	609	707	-98

The ratio of officers to enlisted men for fiscal year 1949, including extra numbers, is approximately 1 officer to 9 enlisted men. This ratio is lowered to 1 to 10 for the personnel requested for 1950. This ratio compares favorably with any other armed services. Even if this were not true, a different proposition exists in the Coast Guard in that the Coast Guard is discharging one function, the merchant marine safety function, which is almost entirely an officer function without any comparable enlisted-man strength. For fiscal 1949 there are 650 billets for officers and only 184 billets for enlisted men for this function. If these 650 billets engaged in this peculiar function are disregarded, the actual ratio is still further reduced to approximately 1 to 15, which more than compares favorably with the other armed services.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HAND] has expired.

Mr. CANFIELD. Mr. Chairman, I have no further requests for time on this side.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read the bill.

Mr. GARY (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the bill be considered as read, open to points of order and amendments at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Are there any points of order? [After a pause.] Are there any amendments?

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee what, if anything, is provided in this bill with reference to highway mail service.

Mr. GARY. I assume that the gentleman has reference to the highway post offices.

Mr. HARRIS. Yes; that is true.

Mr. GARY. That is covered under the star-route service; that is a part of the appropriation for the star-route service on page 34 of the bill.

Mr. HARRIS. I may say to the gentleman from Virginia the reason I bring this matter to his attention is that there

is one particular service in southeast Arkansas whereby the bus at McGehee, Ark., picks up mail there and delivers it to Dermott, Halley, Lake Village, Eudora, Readland, and on down into Louisiana. They have had a lot of difficulty with the mail service in that the mail is supposed to arrive in the morning, but many times it does not arrive until late, sometimes in the afternoon, and sometimes way into the night. This matter has been discussed with the Post Office Department. They tell us they cannot inaugurate any additional highway post offices, so-called, that is on trucks, unless money is made available for that specific purpose. They have the money to deliver this mail by contract, but they cannot inaugurate this highway post-office mail service unless money is appropriated for this specific purpose.

They have had a Nation-wide study under way for some time, particularly within the last year or so, and I believe a report is soon to be issued advising the Congress of the needs to correct the situation and to give better mail service to those areas.

Mr. GARY. I may say to the gentleman from Arkansas that for the fiscal year 1948 they had \$409,000 for that purpose. They asked for \$1,412,000 in 1949; and for \$1,570,000 in 1950. But that was all a part of the star-route service, and the committee recommended \$30,000,000 for the star-route service, which was a reduction of \$3,475,000 below the estimate, but approximately \$2,200,000 in excess of the estimated obligations for the fiscal year 1949.

Mr. HARRIS. If the gentleman will permit me to continue further, that is the information I wanted.

Will the Post Office Department have the authority to spend such sums of this \$30,000,000 as they deem necessary to give this improved service in certain areas?

Mr. GARY. They do have that authority.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. CANFIELD. Five routes were in operation June 1, 1948. Since that time 26 more routes have been put into operation in all parts of the country and about 15 more are to be established before June 30, 1949. Between 20 and 25 can be established in the fiscal year 1950 under this appropriation.

Mr. HARRIS. Under the appropriation provided for in this bill, can the Department establish this Highway Post Office Service from McGehee, Ark., to post offices south into Louisiana?

Mr. GARY. Yes.

Mr. HARRIS. I thank the gentleman.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRIEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3083) making appropriations for

the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WIGGLESWORTH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WIGGLESWORTH. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WIGGLESWORTH moves to recommit the bill, H. R. 3083, to the Committee on Appropriations.

Mr. GARY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include an editorial from the Washington Evening Star.

INTERSTATE COMPACT RELATING TO THE BETTER UTILIZATION OF THE FISHERIES TO THE GULF COAST

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 124 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2363) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) to the Gulf coast and creating the Gulf States Marine Fisheries Commission. That after general debate, which shall be con-

finied to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. HALLECK] and at this time I yield myself 3 minutes.

Mr. Speaker, House Resolution 124 makes in order consideration of the bill H. R. 2363, which grants the consent and approval of Congress to an interstate compact relating to the better utilization and conservation of the fisheries of the Gulf coast and creating the Gulf States Marine Fisheries Commission. The States affected are Alabama, Louisiana, Mississippi, and Texas.

There was no controversy, as I understand it, about this matter in the Committee on Merchant Marine and Fisheries of the House of Representatives. A similar bill has already passed the Senate.

So far as I know, there is only one matter that is at all in dispute, and when the bill is read for amendment I expect to offer a very brief amendment to satisfy the opposition that has been expressed.

The main purpose of this legislation is to give those interested in commercial fishing of those States an opportunity to enter into this compact so that they can better utilize, promote, and conserve the great natural resources in the matter of fish in that great arm of our sea, the Gulf of Mexico.

It is my understanding that similar legislation has been authorized in the past permitting those interested in fishing on the Atlantic coast to perform the same functions. I shall not take any further time on the matter at this time. When the bill is read, as I said, I expect to offer an amendment.

Mr. LARCADE. Mr. Speaker, article I, section 10 of the Constitution requires the consent and approval of Congress be given to any compact entered into between two or more States. The States bordering on the Gulf coast have developed such a compact known as the Gulf States Marine Fisheries Compact. The compact has already been ratified by the States of Alabama, Florida, and Louisiana. Mississippi and Texas will probably join the compact this year now that their legislatures are in session.

Congress has already approved very similar interstate fisheries compacts for both the Atlantic coast and the Pacific coast. The enactment of H. R. 2363 would merely grant the consent and approval of Congress to this compact. There would be no cost to the Federal Government. I have been very interested in the enactment of this legislation and have introduced a similar bill myself, H. R. 1719.

The establishment under the compact of the Gulf States Marine Fisheries Commission will be a far-reaching and for-

ward step in providing a means for these States to cooperate among themselves in attacking the common problems of developing and regulating the fisheries of the Gulf. The Commission would consist of three representatives from each of the ratifying States. The Commission would offer a medium through which disputes between Gulf States could be settled and also afford an opportunity for correlated research among the States on their fisheries problems and for concerted action toward the conservation, improvement and development of the Gulf marine fisheries resources. The fisheries cannot be treated satisfactorily by each State individually, but are an entity along the Gulf coast. The proposed Commission could in no way invade the authority of individual States, but would have the authority to recommend to the States carefully worked-out uniform legislation and the coordination of the States' police power.

Mr. HALLECK. We have no requests for time on this side, Mr. Speaker.

Mr. COLMER. Then, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (S. J. Res. 42), similar to the House bill, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the consent of Congress is hereby given to any two or more of the States of Alabama, Florida, Louisiana, Mississippi, and Texas to enter into the following compact and agreement relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf coast and creating the Gulf States Marine Fisheries Commission. The compact reads as follows:

GULF STATES MARINE FISHERIES COMPACT

The contracting States solemnly agree:

ARTICLE I

Whereas the Gulf Coast States have the proprietary interest in and jurisdiction over fisheries in the waters within their respective boundaries, it is the purpose of this compact to promote the better utilization of the fisheries, marine, shell, and anadromous, of the seaboard of the Gulf of Mexico, by the development of a joint program for the promotion and protection of such fisheries and the prevention of the physical waste of the fisheries from any cause.

ARTICLE II

This compact shall become operative immediately as to those States ratifying it whenever any two or more of the States of Florida, Alabama, Mississippi, Louisiana, and Texas have ratified it and the Congress has given its consent subject to article I, section 10, of the Constitution of the United States. Any State contiguous to any of the aforementioned States or riparian upon waters which flow into waters under the jurisdiction of any of the aforementioned States and which are frequented by anadromous fish or

marine species may become a party hereto as hereinafter provided.

ARTICLE III

Each State joining herein shall appoint three representatives to a commission hereby constituted and designated as the Gulf States Marine Fisheries Commission. One shall be the head of the administrative agency of such State charged with the conservation of the fishery resources to which this compact pertains or, if there be more than one officer or agency, the official of that State named by the Governor thereof. The second shall be a member of the legislature of such State designated by such legislature or in the absence of such designation, such legislator shall be designated by the Governor thereof, provided that if it is constitutionally impossible to appoint a legislator as a commissioner from such State, the second member shall be appointed in such manner as may be established by law. The third shall be a citizen who shall have a knowledge of and interest in the marine fisheries, to be appointed by the Governor. This commission shall be a body corporate with the powers and duties set forth herein.

ARTICLE IV

The duty of the said commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about the conservation and the prevention of the depletion and physical waste of the fisheries, marine, shell and anadromous, of the Gulf coast. The commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their respective jurisdiction to promote the preservation of these fisheries and their protection against overfishing, waste, depletion, or any abuse whatsoever and to assure a continuing yield from the fishery resources of the aforementioned States. To that end the commission shall draft and recommend to the Governors and legislatures of the various signatory States, legislation dealing with the conservation of the marine, shell, and anadromous fisheries of the Gulf seaboard. The commission shall from time to time present to the Governor of each compacting State its recommendations relating to enactments to be presented to the legislature of that State in furthering the interest and purposes of this compact. The commission shall consult with and advise the pertinent administrative agencies in the States party hereto with regard to problems connected with the fisheries and recommend the adoption of such regulations as it deems advisable. The commission shall have power to recommend to the States party hereto the stocking of the waters of such States with fish and fish eggs or joint stocking by some or all of the States party hereto and when two or more States shall jointly stock waters the commission shall act as the coordinating agency, for such stocking.

ARTICLE V

The commission shall elect from its number a chairman and vice chairman and shall appoint and at its pleasure remove or discharge such officers and employees as may be required to carry the provisions of this compact into effect and shall fix and determine their duties, qualifications, and compensation. Said commission shall adopt rules and regulations for the conduct of its business. It may establish and maintain one or more offices for the transaction of its business and may meet at any time or place but must meet at least once a year.

ARTICLE VI

No action shall be taken by the commission in regard to its general affairs except by the affirmative vote of a majority of the whole number of compacting States. No

recommendation shall be made by the commission in regard to any species of fish except by the affirmative vote of a majority of the compacting States which have an interest in such species. The commission shall define what shall be an interest.

ARTICLE VII

The Fish and Wildlife Service of the Department of the Interior of the Government of the United States shall act as the primary research agency of the Gulf States Marine Fisheries Commission cooperating with the research agencies in each State for that purpose. Representatives of the said Fish and Wildlife Service shall attend the meetings of the commission. An advisory committee to be representative of the commercial salt-water fisherman and the salt-water anglers and such other interest of each State as the commissioners deem advisable may be established by the commissioners from each State for the purpose of advising those commissioners upon such recommendations as it may desire to make.

ARTICLE VIII

When any State other than those named specifically in article II of this compact shall become a party hereto for the purpose of conserving its anadromous fish or marine species in accordance with the provisions of article II, the participation of such State in the action of the commission shall be limited to such species of fish.

ARTICLE IX

Nothing in this compact shall be construed to limit the powers or the proprietary interest of any signatory State or to repeal or prevent the enactment of any legislation or the enforcement of any requirement by a signatory State imposing additional conditions and restrictions to conserve its fisheries.

ARTICLE X

It is agreed that any two or more States party hereto may further amend this compact by acts of their respective legislatures subject to approval of Congress as provided in article I, section 10, of the Constitution of the United States, to designate the Gulf States Marine Fisheries Commission as a joint regulating authority for the joint regulation of specific fisheries affecting only such States as shall so compact, and at their joint expense. The representatives of such States shall constitute a separate section of the Gulf States Marine Fisheries Commission for the exercise of the additional powers so granted but the creation of such section shall not be deemed to deprive the States so compacting of any of their privileges or powers in the Gulf States Marine Fisheries Commission as constituted under the other articles of this compact.

ARTICLE XI

Continued absence of representation or of any representative on the commission from any State party hereto shall be brought to the attention of the Governor thereof.

ARTICLE XII

The operating expenses of the Gulf States Marine Fisheries Commission shall be borne by the States party hereto. Such initial appropriations as are set forth below shall be made available yearly until modified as hereinafter provided:

Florida	\$3,500
Alabama	1,000
Mississippi	1,000
Louisiana	5,000
Texas	2,500
Total	13,000

The proration and total cost per annum of \$13,000, above mentioned, is estimative only, for initial operations, and may be changed when found necessary by the commission and approved by the legislatures of



81ST CONGRESS
1ST SESSION

H. R. 3083

IN THE SENATE OF THE UNITED STATES

MARCH 4 (legislative day, FEBRUARY 21), 1949

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury

1 Department for the fiscal year ending June 30, 1950,
2 namely:

3 OFFICE OF THE SECRETARY

4 SALARIES

5 For personal services in the District of Columbia,
6 \$700,000.

7 DAMAGE CLAIMS

8 For payment of claims pursuant to law (28 U. S. C.
9 2672), \$30,000.

10 HEALTH SERVICE PROGRAMS

11 For health service programs, as authorized by law, in
12 the District of Columbia, \$80,000: *Provided*, That other
13 appropriations in this title shall be available for such pro-
14 grams in the field.

15 REFUNDS UNDER RENEGOTIATION ACT

16 For refunds under section 403 (a) (4) (D) (relat-
17 ing to the recomputation of the amortization deduction) and
18 by the last sentence of section 403 (i) (3) (relating to
19 excess inventories) of the Renegotiation Act; and to refund
20 any amount finally adjudged or determined to have been
21 erroneously collected by the United States pursuant to a
22 unilateral determination of excessive profits, with interest
23 thereon (at a rate not to exceed 4 per centum per annum)
24 as may be determined by the War Contracts Price Adjust-

1 ment Board, computed to the date of certification to the
2 Treasury Department for payment; \$1,800,000: *Provided*,
3 That to the extent refunds are made from this appropriation
4 of excessive profits collected under the Renegotiation Act
5 and retained by the Reconstruction Finance Corporation
6 or any of its subsidiaries, the Reconstruction Finance Cor-
7 poration or the appropriate subsidiary shall reimburse this
8 appropriation: *Provided further*, That refunds made here-
9 under shall be based solely on the certificate of the War
10 Contracts Price Adjustment Board or its duly authorized
11 representatives.

12 DIVISION OF TAX RESEARCH

13 SALARIES

14 For personal services in the District of Columbia,
15 \$135,000.

16 OFFICE OF GENERAL COUNSEL

17 SALARIES

18 For personal services in the District of Columbia,
19 \$330,000.

20 SALARIES AND EXPENSES, OFFICE OF CONTRACT

21 SETTLEMENT

22 For expenses necessary to carry out the provisions of
23 the Contract Settlement Act of 1944, including contract
24 stenographic reporting services, \$70,000.

1 OFFICE OF ADMINISTRATIVE SERVICES

2 SALARIES

3 For personal services in the District of Columbia, in-
4 cluding the operating force of the Treasury, Liberty Loan,
5 and Auditors' buildings, and annexes thereof, \$1,100,000.

6 MISCELLANEOUS EXPENSES

7 For necessary expenses of bureaus and offices of the
8 Treasury Department, not otherwise provided for, including
9 operation of the Treasury, Auditors', and Liberty Loan build-
10 ings and annexes thereof, printing and binding and purchase
11 of materials for the use of the bookbinder located in the
12 Treasury Department; \$325,000.

13 FISCAL SERVICE

14 BUREAU OF ACCOUNTS

15 SALARIES AND EXPENSES

16 For necessary expenses in the District of Columbia,
17 including contract stenographic reporting services and print-
18 ing and binding, \$1,550,000: *Provided*, That Federal
19 Reserve banks and branches may be reimbursed for printing
20 and binding and other necessary expenses incident to the
21 deposit of withheld taxes in Government depositories pur-
22 suant to the Current Tax Payment Act of 1943.

23 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

24 For necessary expenses of the Division of Disbursement,
25 including personal services in the District of Columbia, and

1 printing and binding, \$10,830,000: *Provided*, That, with
2 the approval of the Bureau of the Budget there may be
3 transferred or advanced to this appropriation from Railroad
4 Retirement Board, "Conservation and use of agricultural
5 land resources, Department of Agriculture", and from avail-
6 able corporate funds of Government owned or controlled
7 corporations, such sums as may be necessary to cover the
8 expense incurred in performing the function of disbursement
9 therefor.

10 RECOINAGE OF SILVER COINS

11 For reimbursement of the Treasurer of the United States
12 for the difference between the face value of subsidiary silver
13 coins of the United States and the amount the same will
14 produce in new coins, \$150,000.

15 RELIEF OF THE INDIGENT, ALASKA

16 For relief of persons in Alaska (not to exceed 10 per
17 centum of the receipts from licenses collected outside of
18 incorporated towns in Alaska), as authorized by law (48
19 U. S. C. 41), \$20,000.

20 GOVERNMENT LOSSES IN SHIPMENT

21 Fund for payment of Government losses in shipment
22 (revolving fund) : For the payment of losses in accordance
23 with provisions of the Government Losses in Shipment Act,
24 approved July 8, 1937 (50 Stat. 479-484), as amended,
25 \$100,000.

1 REFUND OF MONEYS ERRONEOUSLY RECEIVED AND
2 COVERED

3 For meeting any expenditures of the character formerly
4 chargeable to the appropriation accounts abolished under
5 section 18 of the Permanent Appropriation Repeal Act of
6 1934 (31 U. S. C. 725q), and any other collections erro-
7 neously received and covered which are not properly charge-
8 able to any other appropriation, such amounts as hereafter
9 may be necessary.

10 PAYMENT OF CERTIFIED CLAIMS

11 For payment of claims (not to exceed \$500 in any case)
12 which may be certified by the Comptroller General of the
13 United States to be within the limits of, and chargeable
14 against the balances of the respective appropriations which,
15 after remaining unexpended, have been carried to the sur-
16 plus fund, such amounts as hereafter may be necessary.

17 PAYMENTS OF UNCLAIMED MONEYS

For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934 (31 U. S. C. 725p), payable from the trust fund receipts account "Unclaimed moneys of individuals whose whereabouts are unknown", such amounts as hereafter may be necessary.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed \$4,415,000 for promoting the sale of savings bonds, \$52,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)): *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

DISTINCTIVE PAPER FOR UNITED STATES CURRENCY

For expenses necessary for distinctive paper for United States currency, including personal services and allowance.

1 in lieu of expenses, not to exceed \$50 per month each when
2 actually on duty, of officers detailed from the Treasury
3 Department, \$1,450,000: *Provided*, That in order to foster
4 competition in the manufacture of distinctive paper for United
5 States securities, the Secretary of the Treasury is authorized,
6 in his discretion, to split the award for such paper for the
7 current fiscal year between the two bidders whose prices
8 per pound are the lowest received after advertisement.

9 OFFICE OF THE TREASURER

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Treasurer,
12 including printing and binding, \$5,450,000: *Provided*, That
13 with the approval of the Bureau of the Budget, there may be
14 transferred or advanced to this appropriation, from Railroad
15 Retirement Board, "Conservation and use of agricultural
16 land resources, Department of Agriculture," and from avail-
17 able corporate funds of Government owned or controlled cor-
18 porations, such sums as may be necessary to cover the
19 expenses incurred in the clearing of checks, servicing of
20 bonds, handling of collections, and rendering of accounts
21 therefor.

22 CONTINGENT EXPENSES, PUBLIC MONEYS

23 For the collection, safekeeping, transfer, and disburse-
24 ment of the public money and securities of the United
25 States, \$450,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan Numbered III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; not to exceed \$500 for newspapers; not to exceed \$100,000 for stationery; not to exceed \$12,000 for maintenance and improvement of buildings and sites, acquired under the Act of June 26, 1930 (19 U. S. C. 68) ; printing and binding; purchase of one hundred passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; not to exceed \$1,000,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525) ; \$35,000,000.

Hereafter overtime compensation of customs officers and employees, as authorized by law, shall be based either on

1 standard or daylight saving time, whichever is observed
2 where the overtime services are performed.

3 REVOLVING FUND, BUREAU OF CUSTOMS

4 For establishing a revolving fund which shall be avail-
5 able, without fiscal year limitation exclusively for transfer to
6 the appropriation for collecting the revenue from customs to
7 cover obligations of the Bureau of Customs arising from
8 authorized reimbursable services, pending reimbursement
9 from parties in interest, \$300,000: *Provided*, That amounts
10 so transferred shall be returned to the revolving fund not
11 later than six months after the close of the fiscal year in
12 which transferred.

13 REFUNDS AND DRAW-BACKS

14 For refund or payment of customs collections or receipts,
15 and payment of debentures or draw-backs, bounties, and
16 allowances, as authorized by law, such amounts as hereafter
17 may be necessary.

18 BUREAU OF INTERNAL REVENUE

19 SALARIES AND EXPENSES

20 For necessary expenses in assessment and collection of
21 internal-revenue taxes; administration of the internal-revenue
22 laws; discharge of functions imposed upon the Commis-
23 sioner of Internal Revenue by or pursuant to other laws;
24 investigations concerning the enrollment or disbarment of
25 practitioners before the Treasury Department in internal-

1 revenue matters; and acquisition, operation, maintenance,
2 and repair of property under title III of the Liquor Law
3 Repeal and Enforcement Act (40 U. S. C. 304f-m), in-
4 cluding \$198,400,000 for personal services, of which not
5 to exceed \$17,509,000 shall be available for personal serv-
6 ices in the District of Columbia; expenses, when specifically
7 authorized by the Commissioner, of attendance at meetings
8 of organizations concerned with internal-revenue matters;
9 purchase (not to exceed one hundred and eighty-four for
10 replacement only) and hire of passenger motor vehicles;
11 printing and binding; examination of estimates of appro-
12 priations in the field; services as authorized by section 15
13 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
14 expert witnesses at such rates as may be determined by the
15 Commissioner of Internal Revenue; not to exceed \$1,500,000
16 for stationery; expenses of seizure, custody, and disposal of
17 property; purchase of chemical analyses and expenses of
18 testimony thereon; ammunition; securing of information and
19 evidence; and not to exceed \$500,000 for detecting and
20 bringing to trial persons guilty of violating the internal-
21 revenue laws or conniving at the same, as authorized by
22 law (26 U. S. C. 3792) ; \$220,500,000.

23 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

24 For the payment to the Treasurer of Alaska of an amount
25 equal to the tax of 1 per centum collected on the gross annual

1 income of all railroad corporations doing business in Alaska,
2 on business done in Alaska, which tax is in addition to the
3 normal income tax collected from such corporations on net
4 income, the amount of such additional tax to be applicable
5 to general Territorial purposes, \$10,000.

6 BUREAU OF NARCOTICS

7 SALARIES AND EXPENSES

8 For expenses necessary to enforce sections 2550-2565;
9 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the
10 Internal Revenue Code; the Narcotic Drugs Import and
11 Export Act, as amended (21 U. S. C. 171-184) ; the Act of
12 June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-
13 198) and the Opium Poppy Control Act of 1942 (21 U. S.
14 C. 188-188n), including personal services in the District
15 of Columbia; printing and binding; services as authorized
16 by section 15 of the Act of August 2, 1946 (5 U. S. C.
17 55a) ; purchase of chemical analyses and testimony thereon;
18 expenses of seizure, custody, and disposal of property; hire
19 of passenger motor vehicles; arms and ammunition; not to
20 exceed \$10,000 for the collection and dissemination of infor-
21 mation and appeal for law observance and law enforcement,
22 including cost of printing; securing of information and
23 evidence; and not to exceed \$10,000 for services or infor-
24 mation looking toward the apprehension of narcotic law vio-
25 lators who are fugitives from justice; \$1,560,000.

BUREAU OF ENGRAVING AND PRINTING

SALARIES AND EXPENSES

For expenses necessary for engraving and printing (exclusive of repay work), United States currency and internal-revenue stamps, opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, including the Director, two Assistant Directors, and other personal services in the District of Columbia; wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, such rates not to exceed those usually paid for such work; engravers', printers', and other materials, including distinctive and nondistinctive paper not otherwise specifically provided for; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; not to exceed \$500 for periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference; not to exceed \$1,500 for travel; printing and binding; and not to exceed \$15,000 for transfer to the Bureau of Standards for scientific investigations; \$15,000,000: *Provided*, That during the current fiscal year proceeds derived from work performed by direction of the Secretary of the Treasury but not covered in this appropriation, instead of

1 being covered into the Treasury as miscellaneous receipts as
2 provided by the Act of August 4, 1886 (31 U. S. C. 176),
3 shall be credited to this appropriation.

4 SECRET SERVICE DIVISION

5 SALARIES AND EXPENSES

6 For expenses necessary in detecting, arresting, and
7 delivering into other custody dealers and pretended dealers in
8 counterfeit money, persons engaged in counterfeiting, forg-
9 ing, and altering United States notes, bonds, national bank
10 notes, Federal Reserve notes, Federal Reserve bank notes,
11 and other obligations and securities of the United States and
12 of foreign governments (including endorsements thereon and
13 assignments thereof), as well as the coins of the United
14 States and of foreign governments, and persons committing
15 other crimes against the laws of the United States relating
16 to the Treasury Department and the several branches of the
17 public service under its control, and for the protection of
18 the person of the President and the members of his immediate
19 family and of the person chosen to be President of the United
20 States, including personal services in the District of Co-
21 lumbia; purchase (not to exceed fifteen) and hire of passen-
22 ger motor vehicles; printing and binding; arms and ammuni-
23 tion; and not to exceed \$15,000, with the approval of the
24 Chief of the Secret Service, for services or information look-
25 ing toward the apprehension of criminals; \$1,900,000.

1 SALARIES AND EXPENSES, WHITE HOUSE POLICE

2 For necessary expenses, including personal services, uni-
3 forms and equipment, and arms and ammunition, purchases
4 to be made in such manner as the President may determine,
5 \$370,000.

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
8 Department buildings in the District of Columbia, includ-
9 ing the Bureau of Engraving and Printing, and elsewhere,
10 including purchase, repair, and cleaning of uniforms; arms
11 and ammunition; \$700,000: *Provided*, That not to exceed
12 \$193,015 of the appropriation "Salaries and expenses, Bu-
13 reau of Engraving and Printing", may be advanced to this
14 appropriation to cover service rendered such Bureau which
15 is not covered in the direct appropriations for such Bureau:
16 *Provided further*, That the Secetary of the Treasury may
17 detail two agents of the Secret Service to supervise such
18 force.

19 CONTRIBUTION FOR ANNUITY BENEFITS

20 For reimbursement to the District of Columbia on a
21 monthly basis for benefit payments made from the revenues of
22 the District of Columbia to members of the White House
23 Police force and such members of the United States Secret
24 Service Division as are entitled thereto under the Act of Octo-
25 ber 14, 1940 (54 Stat. 1118), to the extent that such benefit

1 payments are in excess of the salary deductions of such mem-
2 bers credited to said revenues of the District of Columbia
3 during the current fiscal year, pursuant to section 12 of the
4 Act of September 1, 1916 (39 Stat. 718), as amended,
5 \$84,600.

6 BUREAU OF THE MINT

7 SALARIES AND EXPENSES

8 For necessary expenses at the mints at Philadelphia,
9 Pennsylvania, San Francisco, California, and Denver,
10 Colorado; the assay offices at New York, New York, and
11 Seattle, Washington; the bullion depositories at Fort Knox,
12 Kentucky, and West Point, New York; and the Office of the
13 Director of the Mint, and for carrying out the provisions of
14 the Gold Reserve Act of 1934 and the Silver Purchase Act
15 of 1934, including personal services in the District of Colum-
16 bia, printing and binding, arms and ammunition, purchase
17 and maintenance of uniforms and accessories for guards, cases
18 and enameling for medals manufactured, net wastage in
19 melting and refining and in coining departments, loss on sale
20 of sweeps arising from the treatment of bullion and the manu-
21 facture of coins, not to exceed \$1,000 for the expenses of the
22 annual assay commission, and not to exceed \$1,000
23 for acquisition, at the dollar face amount or otherwise,
24 of specimen and rare coins, including United States and
25 foreign gold coins and pieces of gold used as, or in lieu of,

1 money, and ores, for addition to the Government's collection;
2 \$4,800,000.

3 BUREAU OF FEDERAL SUPPLY

4 SALARIES AND EXPENSES

5 For necessary expenses, including personal services in
6 the District of Columbia, printing and binding, services as
7 authorized by section 15 of the Act of August 2, 1946
8 (5 U. S. C. 55a), and attendance at meetings of organiza-
9 tions of concern to the work of the Bureau, \$1,450,000:
10 *Provided*, That the general supply fund shall be available
11 for (1) procurement for non-Federal agencies for which a
12 Federal agency is authorized to procure; (2) purchase from
13 or through the Public Printer of standard forms and blank-
14 book work for field warehouse stocking and issue, such issues
15 to be chargeable to applicable appropriations and to be
16 reported as the Public Printer may require; (3) printing
17 and binding, purchase of ten passenger motor vehicles for
18 replacement only, and attendance at meetings of organiza-
19 tions of concern to the operation of the general supply fund;
20 and (4) reconditioning and repair of supplies for Govern-
21 ment service: *Provided further*, That payments to the gen-
22 eral supply fund may be made (1) in advance; (2) by
23 transfer and counter warrants based on itemized invoices at
24 issue prices fixed by the Director; and (3) by vouchers

1 certified by the requisitioning agency on the basis of the
2 Bureau's billing, subject to later adjustment if necessary, and
3 in such cases the certifying officer shall be responsible only
4 for the availability of the funds charged: *Provided further,*
5 That when functions are transferred to the Bureau of Fed-
6 eral Supply, transfers may be made from applicable appro-
7 priations or funds to the Bureau of Federal Supply of
8 amounts approved by the Bureau of the Budget as neces-
9 sary for the proper performance of the functions transferred,
10 including personal services: *Provided further,* That after
11 June 30, 1949, notwithstanding any other provision of law,
12 the proceeds of sale of surplus property by the Bureau of
13 Federal Supply shall be covered into the Treasury as miscel-
14 laneous receipts.

15 During the current fiscal year, no part of any money
16 appropriated in this or any other Act shall be used during
17 any quarter of such fiscal year to purchase typewriting
18 machines (except bookkeeping and billing machines) at
19 a price which exceeds 90 per centum of the lowest net
20 cash price, plus applicable Federal excise taxes, accorded
21 the most-favored customer (other than the Government, the
22 American National Red Cross, and the purchasers of type-
23 writing machines for educational purposes only) of the
24 manufacturer of such machines during the six-month period
25 immediately preceding such quarter.

1 No part of any money appropriated by this or any
2 other Act for any agency of the executive branch of the
3 Government (which shall include all departments, inde-
4 pendent establishments, and wholly owned Government
5 corporations) shall be used during the current fiscal year
6 for the purchase within the continental limits of the United
7 States of any typewriting machines (except typewriting
8 machines for veterans under public laws administered by
9 the Veterans' Administration) unless the Director of the
10 Bureau of Federal Supply certifies that he is unable to fur-
11 nish such agency with suitable typewriting machines out
12 of stock on hand. The Director of the Bureau of Federal
13 Supply is authorized and directed at such times as he may
14 determine to be necessary to survey and determine the
15 numbers and kinds of typewriting machines located in the
16 continental limits of the United States which are at any
17 time surplus to the requirements of any agency in the
18 executive branch of the Government (which shall include
19 all departments, independent establishments, and wholly
20 owned Government corporations). Upon such determina-
21 tion, the Director of the Bureau of Federal Supply is
22 authorized to direct, upon such notice and in such manner
23 as he may prescribe, the head of any such agency to sur-
24 render to the Bureau of Federal Supply any and all type-
25 writing machines surplus to its requirements, the costs of

1 packing, shipping, and handling thereof to be charged to
2 the general supply fund. Each such agency shall furnish
3 the Director of the Bureau of Federal Supply such informa-
4 tion regarding typewriting machines, wherever located, as
5 he may from time to time request. The Bureau of Federal
6 Supply is authorized and directed to receive, hold, sell,
7 exchange, or supply to any branch of the Government,
8 including the District of Columbia, typewriting machines
9 surrendered to it hereunder. The Director of the Bureau
10 of Federal Supply is authorized to charge each agency to
11 which typewriting machines are supplied hereunder amounts
12 equal to the fair value thereof, as determined by him, and
13 such amounts shall be credited to the general supply fund.

14 GENERAL SUPPLY FUND

15 To increase the general supply fund established by the
16 Act of February 27, 1929, as amended (41 U. S. C. 7c),
17 \$479,803.93.

18 NET RENEGOTIATION REBATES

19 For necessary expenses in connection with the process-
20 ing and determination of net renegotiation rebates under
21 section 403 (a) (4) (D) of the Renegotiation Act,
22 including personal services in the District of Columbia,
23 \$125,000.

24 STRATEGIC AND CRITICAL MATERIALS

25 For necessary expenses in carrying out the provisions of

1 the Strategic and Critical Materials Stock Piling Act of July
 2 23, 1946, including personal services in the District of Co-
 3 lumbia; services as authorized by section 15 of the Act of
 4 August 2, 1946 (5 U. S. C. 55a) ; purchase of fifteen pas-
 5 senger motor vehicles; and printing and binding; \$525,-
 6 000,000, to be immediately available and to remain available
 7 until expended, of which \$250,000,000 is for liquidation of
 8 obligations incurred pursuant to authority heretofore granted
 9 under this head; and in addition to the amount herein appro-
 10 priated, contracts may be entered into for the purposes of
 11 the said Act of July 23, 1946, in an amount not in excess of
 12 \$250,000,000: *Provided*, That any funds received as pro-
 13 ceeds from sale or other disposition of materials on account
 14 of the rotation of stocks under said Act shall be deposited
 15 to the credit, and be available for expenditure for the pur-
 16 poses, of this appropriation: *Provided further*, That during
 17 the current fiscal year, there shall be no limitation on the
 18 value of surplus strategic and critical materials which, in
 19 accordance with subsection 6 (a) of the Act of July 23,
 20 1946 (60 Stat. 598), may be transferred to stock piles estab-
 21 lished in accordance with said Act.

22 COAST GUARD

23 SALARIES, OFFICE OF THE COMMANDANT

24 For personal services at the seat of Government,
 25 \$2,500,000.

1 PAY AND ALLOWANCES

2 For pay and allowances prescribed by law for com-
3 missioned officers, cadets, warrant officers, petty officers,
4 and other enlisted personnel, on active duty, and six civil-
5 ian instructors; not exceeding \$10,000 for cash prizes for
6 men for excellence in boatmanship, gunnery, target prac-
7 tice, and engineering competitions; transportation of
8 dependents of Coast Guard personnel on active duty and
9 retired and Reserve officers and of retired and Reserve
10 enlisted personnel, of grades entitled to transportation of
11 dependents in the Regular Coast Guard, when ordered to
12 active duty (other than training) and upon relief there-
13 from; carrying out the provisions of the Act of June 4,
14 1920 (34 U. S. C. 943) ; not to exceed \$32,200 for cost
15 of instruction of officers at non-Federal institutions, includ-
16 ing books, laboratory equipment and fees, school supplies,
17 and maintenance of students; motion-picture and other equip-
18 ment for instructional purposes; rations or commutation
19 thereof for cadets, petty officers, other enlisted personnel,
20 members of the Coast Guard Auxiliary when assigned spe-
21 cific duties under the provisions of section 8, Act of February
22 19, 1941, as amended (14 U. S. C. 267) , working parties in
23 the field, and officers and crews of light vessels and tenders
24 (14 U. S. C. 135) ; mileage and expenses allowed by law
25 for officers, including per diem rates of allowance, and the

1 Secretary is hereby authorized to prescribe per diem rates
2 of allowance for Public Health Service officers detailed to
3 the Coast Guard as authorized for Coast Guard officers;
4 traveling expenses of other persons traveling on duty under
5 orders from the Treasury Department, including transporta-
6 tion of cadets, enlisted personnel, and applicants for enlist-
7 ment, with subsistence and transfers en route, or cash in lieu
8 thereof; transportation in kind and subsistence to discharged
9 cadets; uniform clothing for enlisted men as provided by
10 law (14 U. S. C. 13) ; clothing for enlisted personnel au-
11 thorized by law; civilian clothing, including an overcoat
12 when necessary, the cost of all not to exceed \$30 per person
13 to enlisted personnel given discharges for bad conduct, un-
14 desirability, unsuitability, or inaptitude; reimbursement in
15 kind or in cash as authorized by law to persons in the Coast
16 Guard for personal property lost, destroyed, or damaged;
17 actual expenses of officers and cadets and quarters and sub-
18 sistence of enlisted personnel on shore patrol, emergency
19 shore detail and other detached duty, or cash in lieu thereof;
20 hire of quarters for officers serving with troops where suffi-
21 cient quarters are not possessed by the United States to ac-
22 commodate them; hire of quarters for Coast Guard personnel
23 comparable to quarters assignable on a capital ship of the
24 Navy, as authorized by the Secretary to meet emergency
25 conditions, including officers and men on sea duty at such

1 times as they may be deprived of their quarters on board
2 ship due to repairs or other conditions which may render
3 them uninhabitable: *Provided*, That under this authorization
4 no funds may be expended for the hire of quarters for occu-
5 pancy by the dependents of officers or enlisted personnel;
6 expenses of recruiting for the Coast Guard; advertising for
7 and obtaining enlisted personnel and applicants for appoint-
8 ment as cadets; training of enlisted personnel, including text-
9 books, school supplies, and correspondence courses; transfer
10 of household goods and effects of Coast Guard and Coast
11 Guard Reserve personnel on active duty and when ordered
12 to active duty and upon relief therefrom, and the transfer
13 of household goods and effects of deceased Coast Guard and
14 Coast Guard Reserve personnel who die while on active duty,
15 as prescribed by law and regulations; purchase of provisions
16 for sale to Coast Guard personnel at isolated stations, and
17 the appropriation reimbursed; and including not to exceed
18 \$190,000 for recreation, amusement, comfort, contentment,
19 and health of the enlisted personnel of the Coast Guard, to
20 be expended pursuant to regulations prescribed by the Sec-
21 retary; apprehension and delivery of deserters and stragglers
22 (14 U. S. C. 147) ; \$74,500,000: *Provided*, That no part
23 of this appropriation shall be used (1) to pay any enlisted
24 man of the Coast Guard while detailed for duty at Coast
25 Guard headquarters if such detail increases above thirty the

1 total number of enlisted men detailed to such duty at any
2 time, or (2) for increased pay for making aerial flights by
3 nonflying officers or observers at rates in excess of those
4 prescribed by law for the Air Force, which shall be the
5 legal maximum rates as to such nonflying officers or
6 observers.

7 RETIRED PAY

8 For retired pay for commissioned officers, warrant
9 officers, enlisted personnel, for certain members of the former
10 Life Saving Service authorized by the Act approved April
11 14, 1930 (14 U. S. C. 178a), and for certain officers and
12 employees entitled thereto by virtue of former employment
13 in the Lighthouse Service engaged in the field service or on
14 vessels of the Coast Guard except persons continuously em-
15 ployed in district offices and shops (33 U. S. C. 763, 765),
16 \$13,134,000.

17 GENERAL EXPENSES

18 For expenses necessary for the operation and main-
19 tenance of the Coast Guard ashore and afloat, except as spe-
20 cifically provided for in other appropriations, including per-
21 sonal services; services as authorized by section 15 of the
22 Act of August 2, 1946 (5 U. S. C. 55a); printing and bind-
23 ing; purchase of not to exceed thirty-one passenger motor
24 vehicles for replacement only, and maintenance, operation,

1 and repair of aircraft; improvement of property for Coast
2 Guard purposes, including rental, purchase, or use of addi-
3 tional land where necessary and the purchase of land for bea-
4 cons, daymarks, and fog signals; subsistence and clothing for
5 shipwrecked and destitute persons, including reimbursement,
6 under rules prescribed by the Secretary, of Coast Guard
7 personnel who furnish from their personal stock subsistence
8 and clothing to such persons (33 U. S. C. 749) ; for pay-
9 ment of claims authorized under the Act of December 28,
10 1945, as amended (31 U. S. C. 222g) ; examination of
11 estimates of appropriations in the field; not to exceed \$2,500
12 for contingencies for the Superintendent, United States
13 Coast Guard Academy, to be expended in his discretion
14 (14 U. S. C. 15k) ; payment of rewards for the apprehen-
15 sion and conviction, or for information helpful therein, of
16 persons found interfering in violation of law with aids to
17 navigation maintained by the Coast Guard (14 U. S. C.
18 50c) ; \$39,225,000: *Provided*, That the number of aircraft
19 on hand at any one time shall not exceed one hundred and
20 ten exclusive of planes and parts stored to meet future
21 attrition.

22

CIVILIAN EMPLOYEES

23 For personal services in the field, not otherwise pro-
24 vided for, including per diem labor, \$4,400,000.

25

The Secretary of the Treasury may transfer funds be-

1 tween the foregoing appropriations for the Coast Guard, but
2 no appropriation shall be either increased or decreased more
3 than 5 per centum by such transfers.

4 The capital of the Coast Guard supply fund shall be
5 increased by the value of commissary provisions and uniform
6 clothing on hand on July 1, 1949, and thereafter, under
7 regulations prescribed by the Secretary, the Coast Guard
8 supply fund shall be charged with the cost of procurement
9 and credited with the value of provisions consumed or sold,
10 and the value of issues and sales of clothing, such values to
11 be determined on a basis which will not increase the capital
12 of the fund.

13 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

14 For establishing and improving aids to navigation; the
15 purchase or construction of additional and replacement ves-
16 sels and their equipment; the purchase of aircraft and their
17 equipment; the construction, rebuilding, or extension of
18 shore facilities, including the acquisition of sites and im-
19 provements thereon when specifically approved by the Sec-
20 retary; and for expenditures directly relating thereto, in-
21 cluding personal services at the seat of government; \$10,-
22 000,000, to remain available until expended.

23 SEC. 102. No part of any appropriation or authorization
24 in this Act shall be used to pay any part of the salary or
25 expenses of any person whose salary or expenses are pro-

hibited from being paid from any appropriation or authorization in any other Act.

SEC. 103. This title may be cited as the "Treasury Department Appropriation Act, 1950".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1950, namely:

DEPARTMENTAL SERVICE

SALARIES

For personal services in the District of Columbia in bureaus and offices, as follows:

Office of the Postmaster General, including a health service program as authorized by law, \$435,000.

Office of Budget and Administrative Planning, \$125,000.

Office of the First Assistant Postmaster General, \$1,290,000.

Office of the Second Assistant Postmaster General, \$1,250,000, including \$160,000 available only for temporary personal services in the District of Columbia, and services as authorized by section 15 of the Act of August 2 1946 (5 U. S. C. 55a), in connection with rate hearings before the Interstate Commerce Commission.

1 Office of the Third Assistant Postmaster General,
2 \$1,485,000.

3 Office of the Fourth Assistant Postmaster General,
4 \$900,000.

5 Office of the Solicitor, including services as authorized
6 by section 15 of the Act of August 2, 1946 (5 U. S. C.
7 55a), \$300,000.

8 Office of the Chief Inspector, \$435,000.

9 Office of the Purchasing Agent, \$95,000.

10 Bureau of Accounts, \$550,000.

11 CONTINGENT EXPENSES

12 For necessary contingent and miscellaneous expenses
13 not otherwise provided for; printing and binding for the
14 departmental and field services; purchase and exchange of
15 lawbooks and books of reference; newspapers; and not to
16 exceed \$10,500 for travel expenses of the purchasing agent
17 and of the solicitor and personnel connected with those
18 offices; \$2,700,000.

19 FIELD SERVICE

20 OFFICE OF THE POSTMASTER GENERAL

21 TRAVEL AND MISCELLANEOUS EXPENSES

22 For travel and miscellaneous expenses in the field
23 service, offices of the Postmaster General and Assistant Post-
24 masters General, \$3,000.

1 DAMAGE CLAIMS

2 For payment of claims for damages, current and prior
3 fiscal years, pursuant to law (28 U. S. C. 2672; 31 U. S. C.
4 224c), \$450,000.

5 ADJUSTED LOSSES

6 For payments or credits to postmasters and to mail
7 clerks and assistant mail clerks of the Army, Navy, Air
8 Force, and Coast Guard, of amounts ascertained to have
9 been lost or destroyed during the current or prior fiscal years
10 through unavoidable casualty, as authorized by law (39
11 U. S. C. 49), \$75,000.

12 OFFICE OF THE CHIEF INSPECTOR

13 INSPECTORS

14 For personal services of fifteen inspectors in charge of
15 divisions and eight hundred inspectors, \$4,750,000.

16 MISCELLANEOUS EXPENSES, INSPECTION SERVICE

17 For necessary travel and miscellaneous expenses incurred
18 in the operation of the inspection service, including not to
19 exceed \$27,600 for chemical and other investigations,
20 \$950,000.

21 CLERKS, INSPECTION SERVICE

22 For personal services of three hundred and eighty-nine
23 clerks in the inspection service, \$1,325,000.

24 REWARDS

25 For payment of rewards for the detection, arrest, and

1 conviction of post office burglars, robbers, highway mail
2 robbers, and persons mailing or causing to be mailed any
3 bomb, infernal machine, or mechanical, chemical, or other
4 device or composition which may ignite, or explode, cur-
5 rent and prior fiscal years, \$55,000: *Provided*, That rewards
6 may be paid in the discretion of the Postmaster General,
7 when an offender of the classes mentioned was killed in
8 the act of committing the crime or in resisting lawful
9 arrest: *Provided further*, That no part of this sum shall be
10 used to pay any rewards at rates in excess of those specified
11 in Post Office Department Order 36844, dated March 12,
12 1948: *Provided further*, That of the amount herein appro-
13 priated not to exceed \$20,000 may be expended in the
14 discretion of the Postmaster General, for the purpose of
15 securing information concerning violations of the postal laws
16 and for services and information looking toward the appre-
17 hension of criminals.

18 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

19 POSTMASTERS

20 For personal services of postmasters, including persons
21 who, pending the designation of an acting postmaster,
22 assume and perform the duties of postmaster in the event
23 of a vacancy in the office of postmaster of the third or
24 fourth class, and persons who perform the duties for post-
25 masters of the fourth class absent on sick or annual leave

1 or leave without pay, and for allowances for rent, light,
2 fuel, and equipment to postmasters of the fourth class,
3 \$104,000,000.

4 ASSISTANT POSTMASTERS

5 For personal services of assistant postmasters at first-
6 and second-class offices, \$15,000,000.

7 CLERKS, FIRST- AND SECOND-CLASS OFFICES

8 For personal services of clerks and employees at first-
9 and second-class offices, including auxiliary clerk hire at
10 summer and winter offices, printers, mechanics, skilled
11 laborers, watchmen, messengers, mail handlers, and sub-
12 stitutes; and a health service program as authorized by law.
13 \$625,000,000.

14 CONTRACT STATION SERVICE

15 For contract station service, \$3,700,000.

16 SEPARATING MAILS

17 For separating mails at fourth-class offices, \$180,000.

18 UNUSUAL CONDITIONS

19 For unusual conditions at post offices, \$25,000.

20 CLERKS, THIRD-CLASS OFFICES

21 For personal services of clerks at third-class offices,
22 \$33,000,000.

1 MISCELLANEOUS ITEMS, FIRST- AND SECOND-CLASS

2 OFFICES

3 For personal services and expenses necessary for the
4 operation and protection of offices of the first and second
5 classes, not otherwise provided for, \$4,500,000.

6 VILLAGE DELIVERY SERVICE

7 For personal services and expenses necessary for the
8 operation of village delivery service in towns and villages
9 having offices of the second or third class, and in communi-
10 ties adjacent to cities having city delivery, \$375,000.

11 DETROIT RIVER SERVICE

12 For Detroit River postal service, \$12,500.

13 CARFARE AND BICYCLE ALLOWANCE

14 For carfare and bicycle allowance, including special
15 delivery carfare, cost of transporting carriers by privately
16 owned automobiles to and from their routes, at rates not
17 exceeding regular streetcar or bus fare, and purchase, main-
18 tenance, and exchange of bicycles, \$3,250,000.

19 CITY DELIVERY CARRIERS

20 For personal services of carriers in the city delivery
21 service, and employees in the United States official mail and
22 messenger service, \$392,000,000.

1 SPECIAL DELIVERY SERVICE

2 For personal services of and fees to special delivery
3 messengers, \$16,500,000.

4 RURAL DELIVERY SERVICE

5 For personal services of rural carriers, auxiliary carriers,
6 substitutes for rural carriers on annual and sick leave, clerks
7 in charge of rural stations, tolls and ferriage, and necessary
8 expenses of the rural delivery service, \$153,500,000, of
9 which not less than \$200,000 shall be available for exten-
10 sions and new service.

11 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

12 STAR ROUTE SERVICE

13 For inland transportation by star routes, \$30,000,000.

14 POWERBOAT SERVICE

15 For inland transportation by powerboat routes, \$2,250,-
16 000.

17 RAILROAD AND MESSENGER SERVICE

18 For inland transportation by railroad routes and for mail
19 messenger service, \$222,708,000: *Provided*, That separate
20 accounts shall be kept of the amount expended for mail
21 messenger service.

22 SALARIES, RAILWAY MAIL SERVICE

23 For personal services of fifteen general superintendents,
24 fifteen assistant general superintendents, four assistant gen-
25 eral superintendents at large, one hundred and twenty

1 district superintendents, one hundred and twenty assistant
 2 district superintendents, and other employees in the railway
 3 mail service, \$128,500,000.

4 TRAVEL ALLOWANCE, RAILWAY MAIL SERVICE

5 For travel allowance of the railway mail service, in-
 6 cluding travel expenses of departmental officials and
 7 employees, \$8,000,000.

8 MISCELLANEOUS EXPENSES, RAILWAY MAIL SERVICE

9 For necessary expenses of the railway mail service not
 10 otherwise provided for, \$600,000.

11 ELECTRIC CAR SERVICE

12 For electric car service, \$175,000.

13 FOREIGN MAIL TRANSPORTATION

14 For transportation of foreign mails, except by aircraft,
 15 \$11,500,000: *Provided*, That not to exceed \$2,000 is hereby
 16 made available for expenses of delegates designated by the
 17 Postmaster General to The Executive and Liaison Commis-
 18 sion and the Transit Commission of the Universal Postal
 19 Union, to be expended in the discretion of the Postmaster
 20 General and accounted for solely on his certificate.

21 AMOUNTS DUE FOREIGN COUNTRIES

22 For payment of amounts due foreign countries for
 23 transportation and handling of mails of United States origin,
 24 current and prior fiscal years, \$10,000,000.

1 INDEMNITIES, INTERNATIONAL MAIL

2 For payment of limited indemnity for the injury or loss
3 of international mail in accordance with convention, treaty,
4 or agreement stipulations, current and prior fiscal years,
5 \$50,000.

6 FOREIGN AIR MAIL SERVICE

7 For expenses necessary for transportation of foreign
8 mails by aircraft, as authorized by law, \$45,308,000.

9 DOMESTIC AIR MAIL SERVICE

10 For expenses necessary for the inland transportation of
11 mail by aircraft, as authorized by law, including not to ex-
12 ceed \$225,000 for personal services at field headquarters,
13 \$41,753,000.

14 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

15 STAMPS AND STAMPED PAPER

16 For manufacture and distribution of stamps and
17 stamped paper, including not to exceed \$33,000 for per-
18 sonal services of employees and other necessary expenses
19 of the United States Stamped Envelope Agency,
20 \$11,000,000.

21 INDEMNITIES, DOMESTIC MAIL

22 For payment of indemnity for the injury or loss of
23 domestic registered, insured, and collect-on-delivery mail,
24 and for failure to remit collect-on-delivery charges, cur-
25 rent and prior fiscal years, \$4,250,000.

1 UNPAID MONEY ORDERS

2 For payment of domestic money orders after one year
3 from the last day of the month of issue of such orders,
4 such amounts as hereafter may be necessary.

5 OFFICE OF THE FOURTH ASSISTANT POSTMASTER

6 GENERAL

7 SUPPLIES AND EQUIPMENT

8 For the purchase, manufacture, repair, and installation
9 of necessary miscellaneous equipment and supplies for the
10 field service not otherwise provided for; not to exceed
11 \$1,500 for the purchase of atlases and geographical and
12 technical works; not to exceed \$239,000 for personal serv-
13 ices, including seventeen traveling mechanics; rental of
14 canceling machines and motors, mechanical mail-handling
15 apparatus, and other labor-saving devices; and travel ex-
16 penses; \$11,000,000, of which \$750,000 shall be available
17 exclusively for the development, manufacture, and purchase
18 of modern mechanical postal devices to improve and facili-
19 tate mail handling, financial operations, and other postal
20 functions: *Provided*, That the Postmaster General may au-
21 thorize the sale to the public of post-route maps and rural-
22 delivery maps at the cost of printing and 10 per centum
23 thereof added.

EQUIPMENT SHOPS

For purchase, manufacture, and repair of mail bags and other equipment for the field service not otherwise provided for; and for expenses necessary for the operation, maintenance, and protection of the mail-equipment-shops building, grounds, and equipment, including not to exceed \$1,510,000 for personal services in the District of Columbia and a health-service program as authorized by law; \$19,000,000, of which not to exceed \$15,000 shall be available for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments.

RENT, FUEL, AND UTILITY SERVICES

For rent, light, power, fuel, and water, for first-, second-, and third-class offices, and the cost of advertising for lease proposals for such offices, \$16,800,000.

PNEUMATIC TUBE SERVICE

For rental of not to exceed twenty-eight miles of pneumatic tubes, personal services, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not to exceed two miles of pneumatic tubes, not including personal services and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; \$775,000: *Provided*, That the

1 Acts of April 21, 1902, May 27, 1908, and June 19,
2 1922 (39 U. S. C. 423), relating to contracts for the trans-
3 mission of mail by pneumatic tubes or other similar devices
4 shall not be applicable to the city of New York, and the
5 provisions not inconsistent herewith of the Acts of April
6 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be
7 applicable to the city of Boston.

VEHICLE SERVICE

9 For the hire, purchase, maintenance, repair, and opera-
10 tion of vehicles, including tractors and trailer trucks, for use
11 in the collection, transportation, delivery, and supervision of
12 the mail, including the repair of vehicles owned by, or under
13 the control of, units of the National Guard and departments
14 and agencies of the Federal Government where repairs are
15 made necessary because of utilization of such vehicles in the
16 field service; rental of garage facilities; lease of quarters not
17 exceeding a term of ten years for the housing of Government-
18 owned vehicles, and personal services in the motor vehicle
19 service, \$51,000,000, of which \$5,631,000 shall be available
20 exclusively for the purchase of trucks, including tractors and
21 trailers: *Provided*, That no part of this appropriation shall be
22 expended for maintenance or repair of vehicles for use in
23 connection with administrative work in the departmental
24 service.

1 TRANSPORTATION OF EQUIPMENT AND SUPPLIES

2 For the transportation and delivery of equipment, mater-
3 ials, and supplies for the departmental and field services by
4 freight, express, or motor transportation, and other incidental
5 expenses, \$900,000.

6 SALARIES, CUSTODIAL SERVICE

7 For personal services in the custodial service,
8 \$52,300,000.

9 SUPPLIES, PUBLIC BUILDINGS

10 For necessary miscellaneous articles, services and sup-
11 plies, including transportation thereof, required for the opera-
12 tion of completed and occupied public buildings and grounds
13 operated by the Post Office Department, \$8,000,000, which
14 shall not be available for personal services except for work
15 done by contract, or for temporary job labor under exigency
16 not exceeding at one time the sum of \$250 at any one build-
17 ing: *Provided*, That the Postmaster General is authorized to
18 contract for telephone service in public buildings under his
19 administration by means of telephone switchboards or equiv-
20 alent telephone switching equipment jointly serving in each
21 case two or more governmental activities, where he deter-
22 mines that joint service is economical and in the interest of
23 the Government, and to secure reimbursement for the cost
24 of such joint service from available appropriations for tele-
25 phone expenses of the bureaus and offices receiving the same.

EQUIPMENT, PUBLIC BUILDINGS

For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, \$1,125,000: *Provided*, That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

POSTAL DEFICIENCY

DEFICIENCY IN POSTAL REVENUES

If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under this title, a sum equal to such deficiency in the revenues is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues for the current fiscal year, and the sum needed

1 may be advanced to the Post Office Department upon requi-
2 sition of the Postmaster General.

3 POST OFFICE DEPARTMENT—GENERAL PROVISIONS

4 SEC. 202. Unless otherwise provided, no part of any
5 appropriation in this title for the field service shall be ex-
6 pended on account of the departmental service: *Provided*,
7 That necessary expenses of officials and employees of the
8 departmental or field services traveling on official business
9 may be paid from the appropriation for the service in con-
10 nection with which the travel is performed: *Provided fur-*
11 *ther*, That appropriations made in this title for the field
12 service, except such as are exclusively for personal services,
13 shall be available for examination of estimates of appropria-
14 tions in the field.

15 SEC. 203. Appropriations made in this title for the de-
16 partmental and field services shall be available for expendi-
17 tures in connection with accident prevention in the respective
18 services.

19 SEC. 204. Not to exceed 5 per centum of any appropria-
20 tion for the field service may be transferred, with the ap-
21 proval of the Director of the Bureau of the Budget, to any
22 other appropriation or appropriations under the field service,
23 but no appropriation shall be increased more than 10 per
24 centum by such transfers.

25 SEC. 205. Appropriations in this title available either

1 for personal services or for necessary expenses or for miscel-
2 laneous supplies shall be available for printing and binding.

3 SEC. 206. Appropriations in this title for the purchase
4 of fuel and the transportation thereof shall be immediately
5 available.

6 SEC. 207. This title may be cited as the "Post Office
7 Department Appropriation Act, 1950".

8 TITLE III—GOVERNMENT CORPORATIONS

9 The following corporations, respectively, are hereby
10 authorized to make such expenditures, within the limits of
11 funds and borrowing authority available to each such cor-
12 poration and in accord with law, and to make such contracts
13 and commitments without regard to fiscal year limitations
14 as provided by section 104 of the Government Corporation
15 Control Act, as amended, as may be necessary in carrying
16 out the programs set forth in the Budget for the fiscal year
17 ending June 30, 1950, for each such corporation, except as
18 hereinafter provided:

19 EXPORT-IMPORT BANK OF WASHINGTON

20 Not to exceed \$950,000 (to be on an accrual basis) of
21 the funds of the Export-Import Bank of Washington shall
22 be available during the current fiscal year for all admin-
23 istrative expenses of the bank, including not to exceed
24 \$300 for periodicals, \$300 for newspapers, and \$500
25 for maps; health-service program as authorized by law

1 (5 U. S. C. 150), and not to exceed \$5,000 for tem-
2 porary services, as authorized by section 15 of the Act
3 of August 2, 1946 (5 U. S. C. 55a): *Provided*, That
4 necessary expenses (including special services performed
5 on a contract or fee basis, but not including other per-
6 sonal services) in connection with the acquisition, opera-
7 tion, maintenance, improvement, or disposition of any real
8 or personal property belonging to the bank or in which it
9 has an interest, including expenses of collections of pledged
10 collateral, or the investigation or appraisal of any property
11 in respect to which an application for a loan has been made,
12 shall be considered as nonadministrative expenses for the
13 purposes hereof.

14 RECONSTRUCTION FINANCE CORPORATION

15 Not to exceed \$25,400,000 (to be computed on an
16 accrual basis) of the funds of the Reconstruction Finance
17 Corporation shall be available during the current fiscal year
18 for its administrative expenses and the administrative ex-
19 penses of the Federal National Mortgage Association; not to
20 exceed \$1,500 for periodicals and newspapers; purchase (not
21 to exceed thirty, for replacement only) and hire of passen-
22 ger motor vehicles; health service program as authorized by
23 law (5 U. S. C. 150) ; use of the services and facilities of the
24 Federal Reserve banks: *Provided*, That as used herein the
25 term "administrative expenses" shall be construed to include

1 all salaries and wages, services performed on a contract or
2 fee basis, and travel and other expenses, including the pur-
3 chases of equipment and supplies, of administrative offices:
4 *Provided further*, That the limiting amount heretofore stated
5 for administrative expenses shall be increased by an amount
6 which does not exceed the aggregate cost of salaries, wages,
7 travel, and other expenses of persons employed outside the
8 continental United States; the expenses of services performed
9 on a contract or fee basis in connection with termination of
10 contracts or in the performance of legal services; and all
11 administrative expenses reimbursable from other Govern-
12 ment agencies: *Provided further*, That the distribution of
13 administrative expenses to the accounts of the Corporation
14 shall be made in accordance with generally recognized
15 accounting principles and practices: *Provided further*, That,
16 except as otherwise provided hereinafter, none of the funds
17 of the Reconstruction Finance Corporation and its subsidiary
18 shall be used for the custody, maintenance, or disposal of any
19 surplus property within the continental limits of the United
20 States, its Territories or possessions, except such property as
21 may be owned by and held for disposal by the Reconstruc-
22 tion Finance Corporation or its subsidiary; but, notwith-
23 standing any other provision of law, the Reconstruction
24 Finance Corporation may waive reimbursement from War
25 Assets Administration for the administrative property trans-

1 ferred prior to July 1, 1946, and for expenses incurred
2 prior thereto in the custody, maintenance, or disposal of any
3 surplus property: *Provided further*, That no part of the funds
4 of the Reconstruction Finance Corporation or of its subsid-
5 iary shall be used to make any purchase or for personal
6 services or to enter into any contract for the use or benefit of
7 any other agency of the Government unless such agency shall
8 have authority in law and appropriations available to make
9 reimbursement for such purchase, personal services, or con-
10 tract.

11 SEC. 302. This title may be cited as the "Export-Import
12 Bank and Reconstructon Finance Corporation Appropriation
13 Act, 1950".

14 TITLE IV—GENERAL PROVISIONS

15 SEC. 401. No part of any appropriation contained in
16 this Act, or of the funds available for expenditure by any cor-
17 poration included in this Act, shall be used to pay the salary
18 or wages of any person who engages in a strike against the
19 Government of the United States or who is a member of an
20 organization of Government employees that asserts the right
21 to strike against the Government of the United States, or who
22 advocates, or is a member of an organization that advocates,
23 the overthrow of the Government of the United States by force

1 or violence: *Provided*, That for the purposes hereof an affi-
2 davit shall be considered prima facie evidence that the person
3 making the affidavit has not contrary to the provisions of this
4 section engaged in a strike against the Government of the
5 United States, is not a member of an organization of Govern-
6 ment employees that asserts the right to strike against the
7 Government of the United States, or that such person does
8 not advocate, and is not a member of an organization that
9 advocates, the overthrow of the Government of the United
10 States by force or violence: *Provided further*, That any
11 person who engages in a strike against the Government of
12 the United States or who is a member of an organization
13 of Government employees that asserts the right to strike
14 against the Government of the United States, or who advo-
15 cates, or who is a member of an organization that advocates,
16 the overthrow of the Government of the United States by
17 force or violence and accepts employment the salary or
18 wages for which are paid from any appropriation or fund
19 contained in this Act shall be guilty of a felony and, upon
20 conviction, shall be fined not more than \$1,000 or imprisoned
21 for not more than one year, or both: *Provided further*, That
22 the above penalty clause shall be in addition to, and not in
23 substitution for, any other provisions of existing law.

1 SEC. 402. This Act may be cited as the "Treasury
2 and Post Office Departments Appropriation Act, 1950".

Passed the House of Representatives March 3, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

MARCH 4 (legislative day, FEBRUARY 21), 1949
Read twice and referred to the Committee on
Appropriations

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, FISCAL YEAR 1950

APRIL 29 (legislative day, APRIL 11), 1949.—Ordered to be printed

Mr. MAYBANK, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H. R. 3083]

The Committee on Appropriations, to whom was referred the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$3, 072, 817, 903. 93
Increased by Senate.....	40, 250, 600. 00

Amount of bill as reported to Senate.....	3, 113, 068, 503. 93
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Amount of regular and supplemental estimates

for 1950.....	3, 176, 266, 750. 00
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Amount of appropriations for 1949.....	2, 653, 219, 680. 00
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The bill as reported to Senate:

Exceeds the appropriations for 1949.....	459, 848, 823. 93
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Under the estimates for 1950.....	63, 198, 246. 07
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Treasury Department bill, title I:

Amount as passed House.....	\$1, 027, 608, 403. 93
Amount of increase by Senate.....	17, 576, 000. 00

Amount of bill as reported to Senate.....	1, 045, 184, 403. 93
Amount of regular and supplemental estimates for 1950.....	1, 096, 594, 450. 00
Amount of appropriations for 1949.....	¹ 795, 914, 855. 00

The bill as reported to the Senate:

Under the estimates for 1950.....	51, 410, 046. 07
Exceeds the appropriations for 1949...	249, 269, 548. 93

Post Office bill, title II:

Amount as passed House.....	2, 045, 209, 500. 00
Amount of increase by Senate.....	22, 674, 600. 00

Amount of bill as reported to Senate.....	2, 067, 884, 100. 00
Amount of regular estimates for 1950.....	2, 079, 672, 300. 00
Amount of appropriations for 1949.....	² 1, 857, 304, 825. 00

The bill as reported to the Senate:

Under the estimates for 1950.....	11, 788, 200. 00
Exceeds the appropriations for 1949...	210, 579, 275. 00

¹ Does not include \$65,126,310 in second deficiency bill, 1949.² Does not include \$252,382,400 in second deficiency bill 1949, and \$16,100,000 in supplemental estimate S. Doc. 54.

GENERAL STATEMENT

The bill provides a total of \$3,113,068,503.93 for regular annual appropriations of the Treasury and Post Office Departments, and \$27,100,000 in authorizations for expenditures of corporate funds of the Export-Import Bank of Washington, and the Reconstruction Finance Corporation. Of the \$3,113,068,503.93 proposed appropriations, the sum of \$1,045,184,403.93 is recommended for the Treasury Department, and \$2,067,884,100 for the Post Office Department.

Of the \$27,100,000 proposed authorizations for use of corporate funds, the sum of \$950,000 is for the Export-Import Bank of Washington, and the sum of \$26,150,000 for the Reconstruction Finance Corporation.

TREASURY DEPARTMENT

The committee has proposed a total appropriation of \$1,045,184,403.93 to meet the 1950 fund requirements of the various bureaus within the Treasury Department. This sum is an increase of \$17,576,000 over the House allowance of \$1,027,608,403.93 and is under the budget estimate by \$51,410,046.07.

Due consideration was given to the justifications filed and the testimony presented by the Secretary, the former Under Secretary and officials of the bureaus on their needs for appropriation increases over the House allowances, especially in those bureaus and offices where evidence indicated possible improvement of efficiency in the collection of revenues, management studies, and policy problems. The Department is primarily a service organization and has continuous dealings with the public in general. It is estimated that over \$45,000,000,000 will be collected in fiscal year 1950. Of this amount over \$43,000,000,000, or about 95 percent of the total Federal revenue, is represented by internal-revenue collections. Therefore, increased efficiency in operations and improved service to the public are of paramount importance.

With these thoughts in mind the committee has recommended the strengthening of pertinent activities and therefore feels that the funds provided will enable the Department to more effectively accomplish the desired objectives.

BUREAU OF ACCOUNTS

The committee has denied the request for an additional \$90,000 over the House allowance for the Bureau of Accounts. It is their considered judgment that no additional funds are required for new positions in order to actively participate with the Bureau of the Budget and the General Accounting Office in the joint program for improving the Government's accounting and reporting system. The committee feels, however, that any additional personnel required in this important undertaking may be secured through more effective utilization of existing methods and procedures staffs now in the fiscal service of the Department and to that end agrees with the action taken by the House.

BUREAU OF CUSTOMS

The committee has approved an appropriation of \$35,300,000 for operating expenses of the Bureau of Customs in the fiscal year 1950. The amount allowed is only \$300,000 under the budget estimate of \$35,600,000 and should provide sufficient operating funds to maintain a maximum personnel strength, including the filling of the most important existing vacant positions and, above all, reducing to a minimum the backlog of work presently existing in certain field offices of collectors of customs as well as appraisers of merchandise. The Commissioner of Customs should exert every effort to reduce this reported huge backlog of unliquidated entries in order to expedite the refunds to importers of excess collections.

BUREAU OF INTERNAL REVENUE

For the fiscal year 1950 the committee recommends an appropriation of \$232,768,000, the budget estimate. This amount exceeds the House allowance by \$12,268,000. The committee is of the opinion that the 7,019 additional field positions requested be allowed by the committee, 5,787 of which are enforcement officer positions, to enable the Bureau to more effectively ferret out tax evaders which, in turn, will lead to the collection of millions of dollars additional revenue. Testimony indicates that present front-line enforcement officers averaged per person additional revenue of \$52,708 for 1946, \$73,805 for 1947, \$89,271 for 1948, and for the first 7 months of fiscal year 1949 \$50,066. It is estimated that by the fiscal year 1951 the additional enforcement personnel provided will collect at least \$425,000,000 additional revenue annually.

COAST GUARD

The committee has approved the appropriation estimates submitted for pay and allowances, \$77,445,000, and general expenses, \$39,988,000, of the Coast Guard. This proposal is considered justified in order that the full military strength on board July 1, 1949, may be continued in the fiscal year 1950, and also provide the necessary operating expenses for carrying out the ocean weather-station program authorized by Public Law 738 of the Eightieth Congress, second session.

As regards the item for civilian employees, the committee has denied the request for \$100,000 over the amount allowed by the House. The committee feels, however, that the reduction in the estimate should not be applied against the program for improving the accounting and supply operations, which was recommended in a recent survey report of a management group to be carried out.

The committee has also denied the request for \$2,000,000 for acquisition, construction and improvements over the allowance recommended by the House. It is the committee's belief that some of the items included in the estimate may be deferred.

The committee also disapproved the sum of \$3,500,000 to initiate a training program for reserve personnel of the Coast Guard. This item was submitted in supplemental estimates, Senate Document 25.

BUREAU OF FEDERAL SUPPLY

The committee has disapproved the Department's request for additional funds over the amounts carried in the bill as passed the House for the appropriation "Salaries and expenses" and the "General supply fund." It was the committee's opinion that no additional funds over the House allowances should be provided for continued operation of the various programs of the Bureau; also, that the \$479,803,093 increase provided by the House for the general supply fund should be sufficient for the fiscal year 1950.

The committee approves the action taken by the House as respects the appropriation and contract authorization amounts provided for stock piling of strategic and critical materials. The bill provides \$525,000,000, of which \$275,000,000 is new cash and \$250,000,000 is cash for liquidation of obligations plus not to exceed \$250,000,000 for new contract authority. Subsequent to the committee hearing on this item, the second deficiency bill has been approved by the House and

is presently before the Senate committee for consideration. This deficiency bill provides for strategic and critical materials an additional \$40,000,000 in cash appropriation and not to exceed \$270,000,000 contract authority.

REPLACEMENT OF TYPEWRITERS

The committee believes that the time has come for the gradual replacement of typewriters which have been in use six or more years, a practice which has long been followed in private enterprise and found to be the most economical. The committee has, therefore, modified the House language to effectuate this end by providing for purchase for each agency in the executive branch of the Government, to the extent that appropriated funds of such agency are otherwise available therefor, of new typewriters in lieu of an equivalent number of machines owned by said agency eight or more years of age, and for the delivery of the overage machines to the Bureau of Federal Supply for disposition at public sale or exchange. It is the view of the committee that like procedure should be recommended at the appropriate time for the fiscal year 1951, except at that time the age should be dropped from 8 years to 7 years, and that in the following fiscal year the age limit should be dropped to 6 years and maintained at that level thereafter, with exception in the case of typewriters which, because of lack of constant use, are in better than average condition for typewriters of the permissible replacement age.

POST OFFICE DEPARTMENT

The committee proposes a total appropriation of \$2,067,884,100 for 1950 operating expenses of the Post Office Department. This amount is \$22,674,600 over the House allowance of \$2,045,209,500, and is under the 1950 budget estimate by \$11,788,200. As compared to the 1949 total regular annual appropriation of \$1,857,304,825 the amount recommended exceeds such total by \$210,579,275.

The Department requested restoration of \$29,754,600 of the \$34,462,800 House reduction and, as stated above, the committee recommends approval of \$22,674,600. This additional amount is considered necessary to properly administer and supervise the postal service, to move the mail volume, and to provide essential supplies and equipment. The specific amounts proposed in the appropriation categories for 1950 will be on approximately the same level as the 1949 estimated expenditures.

The committee recognizes that, as a practical matter, the Postmaster General must supply postal service promptly and commensurate with demands of the general public. Rather than restore the entire reduction made by the House in various appropriation categories, the committee feels that it is preferable to permit the apportionment of certain appropriations on a deficiency basis when, in the opinion of the Postmaster General, with the approval of the Bureau of the Budget, this is necessary for such reasons as the volume of mail to be carried or conditions beyond the control of the Post Office Department. The committee joins the House committee in its confidence that this authority will not be abused, and expects that the Appropriations Committees will be currently advised by the Bureau of the Budget of any apportionments made on such deficiency basis.

Postal deficit

The 1950 postal deficit is estimated to be \$403,672,300. This figure is based on estimated revenues of \$1,676,000,000 and obligations of \$2,079,672,300. The postal deficit is mainly in the costs for handling second-, third-, and fourth-class mails. If the pending bill, H. R. 2945, which provides certain increases in postal rates and services, is enacted, approximately \$250,000,000 in additional revenue per annum will be received and thereby reduce the 1950 estimated deficit of about \$403,000,000 to \$153,000,000. This latter figure is about comparable to the costs for penalty and frank mail, air-mail subsidies, and non-postal services, including custodial services in public buildings. Much of the deficit in fourth-class mail is attributed to the huge volume of parcel post which is the result of favorable existing postal rates as compared with increased express rates. The pending postal-rate bill will tend to correct this wide disparity of parcel post and express rates.

For the first 9 months of fiscal year 1949 the revenues were about \$1,176,000,000 as against \$1,071,000,000 for the same period in the previous fiscal year. For the same comparative periods obligations in 1949 were \$1,584,000,000 as against \$1,297,000,000. Percentagewise, revenues increased 9.80 percent and obligations increased 22.13 percent in the current year over the prior year.

It should be stated that revenues for the 9-month period in fiscal year 1949 include rate increases provided by Public Law 900 which became effective January 1, 1949. Since these rates became effective, the revenues have increased 15.3 percent as compared to an increase of 7.2 percent in the first 6-month period of the fiscal year. Of the 15.3 percent increase in revenues since January 1, 1949, approximately 9 percent is due to the increased rates. The difference between 9 percent and the 15.3 percent is attributed to the increased mail volume.

The 22.13 percent increase in obligations includes approximately 16 percent increase in salaries authorized by Public Law 900. These increased salaries, of course, have been in effect during the entire 9-month period.

The deficit in 1949 estimated to be \$526,000,000 is necessarily greater than the estimate, about \$403,000,000 for 1950, due to the fact that salary increases will have been in effect for 12 months during 1949 whereas the postal rate increases will have been in effect only 6 months of the same year.

Air-mail subsidies

The present bill contains \$87,061,000, the estimate, for payment of costs of carrying air mail and the subsidy to commercial air lines. This figure is \$36,806,000 under the 1949 appropriations plus pending deficiencies which total \$123,867,000. The increase in 1949 over 1950 estimate is due to the Civil Aeronautics Board's adjustment of rates to carriers which were made effective after the 1950 estimate was prepared.

The committee again calls the attention of Congress to the incongruity of charging the Post Office Department appropriation, under the guise of cost of carrying the mails by air, huge sums of money running into millions of dollars which, in truth, have no relation whatever to the costs of air-mail transportation but, in fact, are simply subsidies to the recipient air lines. The committee believes that the Civil

Aeronautics Authority Act of 1938, as amended, should be further amended so as to provide for the payment of this subsidy under its present designation and, thus, to relieve the Post Office Department from being required to carry the item as a part of its appropriation. Such change in the 1938 law will also serve to let the Congress and the people know the nature and extent of this subsidy.

The changes in the amounts of the House bill recommended by the committee are as follows:

TREASURY DEPARTMENT—TITLE I

INCREASES AND LIMITATIONS

Office of the Secretary:

Salaries-----\$100, 000

The committee recommends an appropriation of \$800,000, the estimate, or an increase of \$100,000 over the House allowance of \$700,000. The increase will enable the Secretary to maintain his present staff and will provide sufficient funds to fill vacant top policy-making positions considered essential to the efficient over-all management of the affairs of the Department.

Office of Administrative Services:

Salaries-----100, 000

The committee recommends an appropriation of \$1,200,000 over the House allowance of \$1,100,000, or an increase of \$100,000. This amount is necessary to maintain the present level of care and maintenance operations of Treasury buildings.

Bureau of Customs:

Salaries and expenses-----300, 000

The committee recommends an appropriation of \$35,300,000, or an increase of \$300,000 over the House allowance of \$35,000,000, for salaries and expenses. The total sum proposed will provide sufficient funds in 1950 to maintain maximum utilization of personnel needed to overcome the backlogs of work in a number of field offices.

Also recommended is an increase of \$40,000 over the House allowance of \$1,000,000, or a total of \$1,040,000 in the appropriation limitation for personal services in the District of Columbia. The additional sum is considered necessary to establish a Department management staff to install in the field service various programs of a savings nature. The need for such staff was set forth in a recent report prepared pursuant to a survey of the service.

Bureau of Internal Revenue:

Salaries and expenses-----12, 268, 000

The committee recommends an appropriation of \$232,768,000, the estimate, or an increase of \$12,268,000 over the House allowance of \$220,500,000, for salaries and expenses. The sum proposed will provide 5,543 additional positions for field enforcement work the last 6 months of fiscal year 1950, in addition to the 1,476 additional positions on a full-year basis allowed by the House, or a total of 7,019 additional field positions requested in the President's budget.

TREASURY DEPARTMENT—TITLE I—Continued

INCREASES AND LIMITATIONS—continued

Bureau of Internal Revenue—Continued

To provide more latitude between field employment of personnel and purchase of mechanical equipment, the committee has recommended deletion of the personal-service limitation, as follows:

\$198,400,000 for personal services, of which not to exceed \$17,509,000 shall be available for personal services in the District of Columbia

and insertion, in lieu thereof, the following:

personal services in the District of Columbia, and elsewhere

and, after the total appropriation recommended for operating expenses of the Bureau, to insert the following limitation:

: *Provided, That the amount for personal services in the District of Columbia shall not exceed \$17,509,000*

Bureau of Narcotics:

Salaries and expenses-----

\$50, 000

The committee recommends an appropriation of \$1,610,000, or an increase of \$50,000 over the original estimate and House allowance of \$1,560,000. Supplemental estimate, S. Doc. 25, increased by \$100,000 the estimate, and the committee has approved \$50,000 of this amount. Testimony showed the additional sum is required to purchase evidence of violations of the Federal narcotic and marijuana laws.

Bureau of Engraving and Printing:

Salaries and expenses-----

1, 000, 000

The committee recommends an appropriation of \$16,000,000, or an increase of \$1,000,000 over the House allowance of \$15,000,000. The amount allowed is \$1,000,000 under the estimate of \$17,000,000, and will be needed to employ temporary unskilled help and pay overtime charges necessary to print and deliver the additional currency required to cover redemptions and maintain a proper reserve stock.

Secret Service Division:

Salaries and expenses-----

50, 000

The committee has approved an appropriation of \$1,950,000, or an increase of \$50,000 over the House allowance of \$1,900,000. The increased allowance, which is \$50,000 under the \$2,000,000 estimate, will provide funds for about two-thirds of the 33 new positions and related expenses requested to reduce the backlog of cases pending investigation and disposition.

Bureau of Federal Supply:

Salaries and expenses:

The committee recommends in the last proviso of the paragraph, the deletion of the following language:

notwithstanding any other provision of law, and after the word "receipts", insertion of the following language:

TREASURY DEPARTMENT—TITLE I—Continued

INCREASES AND LIMITATIONS—continued

Bureau of Federal Supply—Continued

, except where reimbursement to an appropriation or fund is authorized by law

so the proviso, as amended, would read as follows:

Provided further, That after June 30, 1949, the proceeds of sales of surplus property by the Bureau of Federal Supply shall be covered into the Treasury as miscellaneous receipts, except where reimbursement to an appropriation or fund is authorized by law

The language amendment is required to effect reimbursement to an agency's appropriation or other fund, pursuant to law, for property sold for their account.

Typewriter provisions:

In the paragraph limiting the availability of funds appropriated to agencies of the executive branch, the committee recommends the insertion of the following language:

: Provided however, That the Director of the Bureau of Federal Supply may purchase and deliver to any agency in the executive branch of the Government, within appropriated funds otherwise available to such agency, new typewriters in lieu of an equivalent number of typewriters owned by such agency which are eight or more years of age, such over-age machines to be delivered to the Bureau of Federal Supply for application as part payment for new machines or disposal by public sale, whichever is to the best interests of the Government

also, in the penultimate sentence of the same paragraph to add, after the word "hereunder", the following language:

, except as to typewriters eight or more years of age which shall be sold at public sale or exchanged as hereinbefore provided

The language changes are proposed in order to carry out a typewriter replacement program.

Coast Guard:

Pay and allowances-----

\$2, 945, 000

The committee proposes a total appropriation of \$77,445,000, the estimate, or an increase of \$2,945,000 over the House allowance of \$74,500,000. The increased allowance will provide for the same military strength, 23,450 excluding cadets and instructors, as on board July 1, 1949.

General expenses-----

763, 000

The committee recommends an appropriation of \$39,988,000, the estimate, or an increase of \$763,000 over the House allowance, \$39,225,000. The increased allowance will approximate the comparative sum, \$39,845,070, available in 1949, and will enable full-year operation of the ocean-weather station program authorized by Public Law 738, 80th Cong., 2d sess.

Total increase, Treasury Department-----

17, 576, 000. 00

Amount of title I—Treasury Department-----

1, 045, 184, 403. 93

POST OFFICE DEPARTMENT—TITLE II

INCREASES AND LIMITATIONS

Salaries, in bureaus and offices:

Postmaster General-----	\$2, 100
Budget and Administrative Planning-----	7, 300
First Assistant Postmaster General-----	7, 000
Second Assistant Postmaster General-----	11, 000
Third Assistant Postmaster General-----	34, 000
Fourth Assistant Postmaster General-----	27, 000
Solicitor-----	5, 900
Chief Inspector-----	11, 900
Purchasing Agent-----	6, 400
Bureau of Accounts-----	12, 000
Total, salaries, bureaus and offices-----	124, 600
Contingent expenses-----	165, 000
Total, Departmental services-----	289, 600

Field service:

Office of the Chief Inspector:

Inspectors-----	60, 000
Miscellaneous expenses, inspection service-----	8, 000
Clerks, inspection service-----	8, 000

Total, Office of Chief Inspector----- 76, 000

Office of the First Assistant Postmaster General:

Clerks, first- and second-class offices-----	8, 000, 000
Clerks, third-class offices-----	750, 000
Miscellaneous items, first- and second-class offices-----	343, 000
Village delivery service-----	8, 000
Carfare and bicycle allowance-----	250, 000
City delivery carriers-----	2, 500, 000

Total, Office of the First Assistant Postmaster General----- 11, 851, 000

Office of the Second Assistant Postmaster General:

Star route service-----	3, 475, 000
Salaries, railway mail service-----	1, 000, 000
Travel allowance, railway mail service-----	150, 000
Miscellaneous expenses, railway mail service-----	137, 000

Total, Office of the Second Assistant Postmaster General----- 4, 762, 000

Office of the Fourth Assistant Postmaster General:

Supplies and equipment-----	550, 000

The committee recommends the insertion of the following proviso:

: Provided further, That for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States)

POST OFFICE DEPARTMENT—TITLE II—Continued

INCREASES AND LIMITATIONS—continued

Field service—Continued

This limitation last appeared in the appropriation bill for 1941, and it is recommended restored to the bill for 1950.

Rent, fuel, and utility services-----	\$780, 000
Vehicle service-----	2, 418, 000
Salaries, custodial service-----	1, 300, 000
Supplies, public buildings-----	523, 000
Equipment, public buildings-----	125, 000

Total, Office of the Fourth Assistant Postmaster General-----	5, 696, 000
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Total increases, field service-----	22, 385, 000
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Total increase, Post Office Department, title II---	22, 674, 600
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Amount of title II—Post Office Department-----	2, 067, 884, 100
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General provisions:

The committee recommends insertion of the following provision:

SEC. 207. During the fiscal year 1950 the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

This provision has been carried in the bill for the past 3 years, and the reports received pursuant thereto have been of material benefit to the committee in its analysis of costs for overtime services.

GOVERNMENT CORPORATIONS—TITLE III

RECONSTRUCTION FINANCE CORPORATION

Administrative expense limitation:

The committee recommends that not to exceed \$26,150,000 or an increase of \$750,000 over the House allowance of \$25,400,000 of corporate funds shall be available for administrative expenses during the fiscal year 1950. In providing the additional allowance of \$750,000 the committee recognizes that the increased work load relates primarily to the lending activities program and the need for additional field personnel to service loans. Therefore, the committee is of the opinion the additional funds provided should be used for this purpose.

The committee also recommends that in the vehicle limitation, the number be increased to 55, or an increase of 25 over the House allowance of 30, for replacement purposes only. Testimony indicated the vehicles will be required in servicing loans under the expanded program.

COMPARATIVE STATEMENT SHOWING THE APPROPRIATIONS FOR 1949, THE ESTIMATES FOR 1950, THE BILL AS PASSED THE HOUSE, THE SENATE RECOMMENDATIONS IN ACCOMPANYING BILL, THE INCREASES OR DECREASES PROPOSED IN SENATE BILL AS COMPARED WITH THE CURRENT APPROPRIATIONS AND THE INCREASES OR DECREASES PROPOSED IN THE BILL COMPARED WITH THE BUDGET ESTIMATES, AND THE HOUSE BILL

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1949	Budget estimates for 1950	Recommended in House bill for 1950	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
OFFICE OF THE SECRETARY OF THE TREASURY							
Salaries.....	\$380,000	\$800,000	\$700,000.00	\$800,000.00	+\$120,000.00		+\$100,000
Damage claims.....	30,000	30,000	30,000.00	30,000.00			
Health-service programs.....	70,000	100,000	80,000.00	80,000.00	+10,000.00	-\$20,000.00	
Penalty mail costs.....	5,900,000				5,900,000.00		
Refunds under Renegotiation Act.....	2,000,000	2,000,000	1,800,000.00	1,800,000.00	-200,000.00	-200,000.00	
Total, Office of the Secretary.....	8,380,000	2,930,000	2,610,000.00	2,710,000.00	-5,670,000.00	-220,000.00	+100,000
Division of Tax Research, salaries.....	125,000	157,500	135,000.00	135,000.00	+10,000.00	-22,500.00	
OFFICE OF GENERAL COUNSEL							
Salaries.....	250,000	375,000	330,000.00	330,000.00	+80,000.00	-43,000.00	
Contract settlement, salaries and expenses.....	75,000	70,000	70,000.00	70,000.00	-5,000.00		
Total, Office of General Counsel.....	325,000	445,000	400,000.00	400,000.00	+75,000.00	-43,000.00	
DIVISION OF PERSONNEL							
Salaries.....	120,000				-120,000.00		
OFFICE OF CHIEF CLERK							
Salaries.....	300,000				-300,000.00		

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS		645,000				-645,000.00			
Custodial force, salaries									+100,000
OFFICE OF ADMINISTRATIVE SERVICES									
Salaries			1,200,000		1,100,000.00		1,200,000.00		
Miscellaneous expenses		240,000	333,700		325,000.00		325,000.00		-8,700.00
Total, Office of Administrative Services		240,000	1,533,700		1,425,000.00		1,525,000.00		+100,000
FISCAL SERVICE									
BUREAU OF ACCOUNTS									
Salaries and expenses		1,475,000	1,640,000		1,550,000.00		1,550,000.00		-90,000.00
Disbursement, Division of, salaries and expenses		10,000,000	10,830,000		10,830,000.00		10,830,000.00		
Recoinage of silver coins		150,000	150,000		150,000.00		150,000.00		
Relief of the indigent, Alaska		18,000	20,000		20,000.00		20,000.00		
Government losses in shipment			200,000		100,000.00		100,000.00		-100,000.00
Refund of moneys erroneously received and covered		1,500,000	(1)		(1)		(1)		
Payment of certified claims		3,100,000	(1)		(1)		(1)		
Total, Bureau of Accounts		16,243,000	12,840,000		12,650,000.00		12,650,000.00		-190,000.00
BUREAU OF THE PUBLIC DEBT									
Administering the public debt		52,000,000	52,650,000		52,000,000.00		52,000,000.00		-650,000.00
Distinctive paper for United States currency		1,300,000	1,461,250		1,450,000.00		1,450,000.00		-11,250.00
Total, Bureau of the Public Debt		53,300,000	54,111,250		53,450,000.00		53,450,000.00		-661,250.00
OFFICE OF THE TREASURER									
Salaries and expenses		4,980,000	5,500,000		5,450,000.00		5,450,000.00		-50,000.00
Contingent expenses, public moneys		375,000	475,000		450,000.00		450,000.00		-25,000.00
Total, Office of the Treasurer		5,355,000	5,975,000		5,900,000.00		5,900,000.00		-75,000.00

¹ Budget proposes and committee recommends permanent indefinite appropriation.

Comparative statement showing the appropriations for 1949, the estimates for 1950, the bill as passed the House, the Senate recommendations in accompanying bill, the increases or decreases proposed in Senate bill as compared with the current appropriations and the increases or decreases proposed in the bill compared with the budget estimates, and the House bill—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1949	Budget esti- mates for 1950	Recommended in House bill for 1950	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
FISCAL SERVICE—Continued							
BUREAU OF CUSTOMS							
Salaries and expenses.....	\$32,400,000	\$35,000,000	\$35,000,000.00	\$35,300,000.00	+\$2,900,000.00	—\$300,000.00	+ \$300,000
Revolving fund.....		350,000	300,000.00	300,000.00	+300,000.00	—50,000.00	-----
Refunds and draw-backs.....	18,000,000	(1)	(1)	(1)	—18,000,000.00	-----	-----
Total, Bureau of Customs.....	50,400,000	35,950,000	35,300,000.00	35,600,000.00	—14,800,000.00	—350,000.00	+300,000
BUREAU OF INTERNAL REVENUE							
Salaries and expenses.....	193,584,000	232,768,000	220,500,000.00	232,768,000.00	+39,184,000.00	-----	+12,268,000
Additional income tax on railroads in Alaska.....	4,500	10,000	10,000.00	10,000.00	+5,500.00	-----	-----
Total, Bureau of Internal Revenue.....	193,588,500	232,778,000	220,510,000.00	232,778,000.00	+39,189,500.00	-----	+12,268,000
BUREAU OF NARCOTICS							
Salaries and expenses.....	1,450,000	2 1,650,000	1,560,000.00	1,610,000.00	+160,000.00	—50,000.00	+50,000
BUREAU OF ENGRAVING AND PRINTING							
Salaries and expenses.....	3 14,365,000	17,000,000	15,000,000.00	16,000,000.00	+1,635,000.00	—1,000,000.00	+1,000,000
SECRET SERVICE DIVISION							
Salaries and expenses.....	1,715,000	2,000,000	1,900,000.00	1,950,000.00	+235,000.00	—50,000.00	+50,000
White House Police, salaries and expenses.....	370,000	370,000	370,000.00	370,000.00	-----	-----	-----
Guard force, salaries and expenses.....	645,000	710,400	700,000.00	700,000.00	+55,000.00	—10,400.00	-----
Contributions for annuity benefits.....	84,600	84,600	84,600.00	84,600.00	-----	-----	-----
Total, Secret Service Division.....	2,814,600	3,165,000	3,054,600.00	3,104,600.00	+290,000.00	—60,400.00	+50,000

BUREAU OF THE MINT					
Salaries and expenses.....	\$ 4,750,000	4,937,000	4,800,000.00	4,800,000.00	+50,000.00 -137,000.00
Transportation of bullion and coin.....	5,000	5,000		-5,000.00	-5,000.00
Total, Bureau of the Mint.....	4,755,000	4,942,000	4,800,000.00	4,800,000.00	+45,000.00 -142,000.00
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses.....	1,275,000	1,800,000	1,450,000.00	1,450,000.00	+175,000.00 -350,000.00
General supply fund.....	1,500,000	4,000,000	479,803.93	479,803.93	-1,020,196.07 -3,520,196.07
Printing and binding.....	170,000				-170,000.00
Net renegotiation rebates.....	125,000	242,000	125,000.00	125,000.00	-117,000.00
Strategic and critical materials.....	4300,000,000	\$ 564,000,000	\$ 525,000,000.00	525,000,000.00	+225,000,000.00 -39,000,000.00
Total, Bureau of Federal Supply.....	303,070,000	570,042,000	527,054,803.93	527,054,803.93	+223,984,803.93 -42,987,196.07
COAST GUARD					
Office of the Commandant, salaries.....	2,260,784	2,500,000	2,500,000.00	2,500,000.00	+239,216.00
Pay and allowances.....	71,295,154	77,445,000	74,500,000.00	77,445,000.00	+6,149,846.00
Retired pay.....	12,000,000	13,134,000	13,134,000.00	13,134,000.00	+1,134,000.00
General expenses.....	39,225,070	39,988,000	39,225,000.00	39,988,000.00	+762,930.00
Civilian employees.....	4,218,992	4,500,000	4,400,000.00	4,400,000.00	+181,008.00
Reserve training.....		73,500,000			-100,000.00 -3,500,000.00
Acquisitions, construction, and improvements.....	11,438,755	12,000,000	10,000,000.00	10,000,000.00	-2,000,000.00
Total, Coast Guard.....	140,438,755	153,067,000	143,759,000.00	147,467,000.00	+7,028,245.00 -5,600,000.00
Total, Treasury Department, title I, regular annual appropriations.....	\$ 795,914,855	1,096,594,450	1,027,608,403.93	1,045,184,403.93	+249,269,548.93 -51,410,046.07
					+3,708,000 +17,576,000

Includes \$100 000 in Supplemental estimate, S. Doc. 25.

Includes \$1 500 000 in the first deficiency bill, 1949.

In addition, \$300,000 contract authorization.

In addition, \$30,000,000 contract authorization.

In addition, \$211,000,000 contract authorization.

8 In addition, \$250,000,000 contract authorization.
9 Supplemental Estimate S Doc 25.

Supplemental estimate, S. Doc. 25.
Does not include \$65,196,310 in second deficiency

Does not include \$65,126,310 in second deficiency bill, 1949.

* Includes \$250,000 in the first deficiency bill, 1949.

Comparative statement showing the appropriations for 1949, the estimates for 1950, the bill as passed the House, the Senate recommendations in accompanying bill, the increases or decreases proposed in Senate bill as compared with the current appropriations and the increases or decreases proposed in the bill compared with the budget estimates, and the House bill—Continued

TITLE II—POST OFFICE DEPARTMENT

Object	Appropriations for 1949	Budget estimates for 1950	Recommended in House bill for 1950	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
DEPARTMENTAL SERVICE							
Salaries:							
Office of the Postmaster General.....	\$395,000	\$437,100	\$435,000.00	\$437,100.00	+\$42,100.00	-----	+\$2,100
Office of Budget and Administrative Planning.....	65,000	132,300	125,000.00	132,300.00	+\$67,300.00	-----	+\$7,300
Office of the First Assistant Postmaster General.....	1,162,500	1,297,000	1,290,000.00	1,297,000.00	+\$134,500.00	-----	+\$7,000
Office of the Second Assistant Postmaster General.....	1,135,500	1,269,000	1,250,000.00	1,261,000.00	+\$125,500.00	-\$8,000.00	+\$11,000
Office of the Third Assistant Postmaster General.....	1,350,000	1,549,000	1,485,000.00	1,519,000.00	+\$169,000.00	-\$30,000.00	+\$34,000
Office of the Fourth Assistant Postmaster General.....	823,000	927,000	900,000.00	927,000.00	+\$104,000.00	-----	+\$27,000
Office of the Solicitor.....	275,000	310,900	300,000.00	305,900.00	+\$30,900.00	-\$5,000.00	+\$5,900
Office of the Chief Inspector.....	405,000	446,900	435,000.00	446,900.00	+\$41,900.00	-----	+\$11,900
Office of the Purchasing Agent.....	85,000	101,400	95,000.00	101,400.00	+\$16,400.00	-----	+\$6,400
Bureau of Accounts.....	505,000	582,000	550,000.00	562,000.00	+\$57,000.00	-\$20,000.00	+\$12,000
Total salaries.....	6,201,000	7,052,600	6,865,000.00	6,989,600.00	+\$788,600.00	-\$63,000.00	+\$124,600
Contingent expenses.....	172,150	2,865,000	2,700,000.00	2,865,000.00	+\$2,692,850.00	-----	+\$165,000
Printing and binding.....	2,114,000	-----	-----	-----	-\$2,114,000.00	-----	-----
Total departmental service.....	8,487,150	9,917,600	9,565,000.00	9,854,600.00	+\$1,367,450.00	-\$63,000.00	+\$289,600

Comparative statement showing the appropriations for 1949, the estimates for 1950, the bill as passed the House, the Senate recommendations in accompanying bill, the increases or decreases proposed in Senate bill as compared with the current appropriations and the increases or decreases proposed in the bill compared with the budget estimates, and the House bill—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1949	Budget esti- mates for 1950	Recommended in House bill for 1950	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate committee bill compared with—		
					Appropriations, 1949	Estimates, 1950	House bill, 1950
FIELD SERVICE—Continued							
OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL—continued							
Special delivery service.....	\$16,000,000	\$17,600,000	\$16,500,000.00	\$16,500,000.00	+\$500,000.00	—\$1,100,000.00	-----
Rural delivery service.....	139,819,000	154,428,000	153,500,000.00	153,500,000.00	+13,681,000.00	—928,000.00	-----
Total, Office of the First Assistant.....	1,148,586,750	1,369,776,500	1,351,042,500.00	1,362,893,500.00	+214,306,750.00	—6,883,000.00	+\$11,851,000
OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL							
Star route service.....	25,501,000	33,475,000	30,000,000.00	33,475,000.00	+7,974,000.00	-----	+3,475,000
Powerboat service.....	2,133,000	2,395,000	2,250,000.00	2,250,000.00	+117,000.00	—145,000.00	-----
Railroad and messenger service.....	10 235,881,000	222,708,000	222,708,000.00	222,708,000.00	—13,173,000.00	-----	-----
Salaries, railway mail service.....	109,188,000	130,564,000	128,500,000.00	129,500,000.00	+20,312,000.00	—1,064,000.00	+1,000,000
Travel allowance, railway mail service.....	11 7,964,000	8,208,000	8,000,000.00	8,150,000.00	+186,000.00	—58,000.00	+150,000
Travel expenses, railway mail service.....	12 72,600	100,000	-----	-----	—72,600.00	—100,000.00	-----
Miscellaneous expenses, railway mail service.....	490,000	737,000	600,000.00	737,000.00	+247,000.00	-----	+137,000
Electric car service.....	220,000	177,400	175,000.00	175,000.00	—45,000.00	—2,400.00	-----
Foreign mail transportation.....	12 23,756,200	12,000,000	11,500,000.00	11,500,000.00	—12,256,200.00	—500,000.00	-----
Amounts due foreign countries.....	15,000,000	10,000,000	10,000,000.00	10,000,000.00	—5,000,000.00	-----	-----
Indemnities, international mail.....	42,500	55,000	50,000.00	50,000.00	+7,500.00	—5,000.00	-----

Foreign air-mail service.....	13 46,925,000	45,308,000	45,308,000.00	45,308,000.00	-1,617,000.00	-----
Domestic air-mail service.....	47,401,000	41,753,000	41,753,000.00	41,753,000.00	-5,648,000.00	-----
Total, Office of the Second Assistant.....	514,574,300	507,480,400	500,844,000.00	505,606,000.00	-8,968,300.00	+4,762,000
OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL						
Stamps and stamped paper.....	11,171,000	11,400,000	11,000,000.00	11,000,000.00	-171,000.00	-----
Indemnities, domestic mail.....	4,106,000	4,261,000	4,250,000.00	4,250,000.00	+144,000.00	-----
Unpaid money orders.....	1,300,000	1,300,000	-----	-----	-1,300,000.00	-----
Total, Office of the Third Assistant.....	16,577,000	16,961,000	15,250,000.00	15,250,000.00	-1,711,000.00	-----
OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL						
Supplies and equipment.....	10,658,000	11,550,000	11,000,000.00	11,550,000.00	+892,000.00	+550,000
Equipment shops.....	25,853,625	20,169,000	19,000,000.00	19,000,000.00	-6,853,625.00	-----
Rent, fuel, and utility services.....	14,750,000	17,580,000	16,800,000.00	17,580,000.00	+2,830,000.00	+780,000
Pneumatic tube service.....	740,000	820,200	775,000.00	775,000.00	+35,000.00	-----
Vehicle service.....	4 55,457,000	53,418,000	51,000,000.00	53,418,000.00	-2,039,000.00	+2,418,000
Transportation of equipment and supplies.....	1,000,000	930,600	900,000.00	900,000.00	-100,000.00	-----
Salaries, custodial service.....	44,600,000	53,600,000	52,300,000.00	53,600,000.00	+9,000,000.00	+1,300,000
Supplies, public buildings.....	7,320,000	8,523,000	8,000,000.00	8,523,000.00	+1,203,000.00	+523,000
Equipment, public buildings.....	1,482,000	1,250,000	1,125,000.00	1,250,000.00	-232,000.00	+125,000
Total, Office of the Fourth Assistant.....	161,860,625	167,840,800	160,900,000.00	166,596,000.00	+4,735,375.00	+5,696,000
Total field service.....	1,848,817,675	2,069,754,700	2,035,644,500.00	2,058,029,500.00	+209,211,825.00	+22,385,000
Total departmental and field service.....	15 1,857,304,825	2,079,672,300	2,045,209,500.00	2,067,884,100.00	+210,579,275.00	+22,674,600
Grand total, titles I and II, Treasury and Post Office Departments.....	2,653,219,680	3,176,266,750	3,072,817,903.93	3,113,068,503.93	+459,848,823.93	+40,250,600

¹⁰ Includes \$70,000,000 in first deficiency bill, 1949.

¹¹ Includes \$2,727,000 in first deficiency bill, 1949.

¹² Includes administrative transfer of \$6,600 from "Foreign mail transportation" to "Travel expenses, railway mail service."

¹³ Includes \$17,000,000 in first deficiency bill, 1949.

¹⁴ Includes \$13,000,000 in first deficiency bill, 1949.

¹⁵ Excludes \$252,382,400 in second deficiency bill and \$16,100,000 in supplemental estimate, S. Doc. 54.

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitations on amounts of corporate funds to be expended]

Corporation	1949 authori- zations	Budget estimates, 1950	Recommended in House bill, 1950	Amount recommended by Senate Committee	Increase (+) or decrease (—) Senate bill compared with—		
					Authorizations, 1949	Estimates, 1950	House bill, 1950
Export-Import Bank of Washington	\$800,000	\$950,000	\$950,000	\$950,000	+\$150,000		
Reconstruction Finance Corporation	24,796,000	26,774,000	25,400,000	26,150,000	+1,354,000	—\$624,000	+\$750,000
Total	25,596,000	27,724,000	26,350,000	27,100,000	+1,504,000	—624,000	+750,000

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1949 AND THE ESTIMATES FOR 1950
PERMANENT INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1949	Estimates, 1950	Increase (+) or decrease (—)
General and special funds:			
Federal control of transportation system	\$3,968	\$4,000	+\$32
Loans to railroads after termination of Federal control	6,289	6,500	+211
Payment of interest on deposits of public moneys of Government of Philippine Islands	3,765,761	3,100,000	—665,761
Payments from proceeds of sales, motor-propelled vehicles, etc., Treasury Department	3,000	3,000	
Pershing Hall memorial fund	5,083	5,083	
Refund of moneys erroneously received and covered		1,000,000	+1,000,000
Payment of certified claims		1,500,000	+1,500,000
Refunds and draw-backs, customs		16,000,000	+16,000,000
Refunding internal revenue collections	2,770,000,000	2,160,000,000	—610,000,000

Interest on the public debt.....	5,325,000,000	5,450,000,000	+125,000,000
Statutory public-debt retirements.....	666,881,189	629,191,100	-37,690,089
Total, general and special funds.....	8,765,665,290	8,260,809,683	-504,855,607
Trust funds:			
Federal old-age and survivors insurance trust fund.....	1,984,974,000	2,685,893,440	+700,919,440
Unemployment trust fund.....	1,172,467,357	1,202,065,196	+29,597,839
Losses in melting gold.....	111	-----	-111
Payment of unclaimed moneys.....	100,000	100,000	-----
Unclaimed moneys of individuals whose whereabouts are unknown.....	450	450	-----
American Samoa trust fund.....	1,500	1,500	-----
Expenses, Prohibition Act, Puerto Rico and Virgin Islands.....	91,700	85,000	-6,700
Puerto Rico trust fund.....	7,000	7,000	-----
Total, trust funds.....	3,157,642,118	3,888,152,586	+730,510,468

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81ST CONGRESS
1ST SESSION

Calendar No. 289

H. R. 3083

[Report No. 310]

IN THE SENATE OF THE UNITED STATES

MARCH 4 (legislative day, FEBRUARY 21), 1949

Read twice and referred to the Committee on Appropriations

APRIL 29 (legislative day, APRIL 11), 1949

Reported by Mr. MAYBANK, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1950,
7 namely:

1

OFFICE OF THE SECRETARY

2

SALARIES

3

For personal services in the District of Columbia,

4

~~\$700,000~~ \$800,000.

5

DAMAGE CLAIMS

6

For payment of claims pursuant to law (28 U. S. C.

7

2672), \$30,000.

8

HEALTH SERVICE PROGRAMS

9

For health service programs, as authorized by law, in

the District of Columbia, \$80,000: *Provided*, That other

appropriations in this title shall be available for such pro-

grams in the field.

13

REFUNDS UNDER RENEGOTIATION ACT

14

For refunds under section 403 (a) (4) (D) (relat-

ing to the recomputation of the amortization deduction) and

by the last sentence of section 403 (i) (3) (relating to

excess inventories) of the Renegotiation Act; and to refund

any amount finally adjudged or determined to have been

erroneously collected by the United States pursuant to a

unilateral determination of excessive profits, with interest

thereon (at a rate not to exceed 4 per centum per annum)

as may be determined by the War Contracts Price Adjust-

ment Board, computed to the date of certification to the

1 Treasury Department for payment; \$1,800,000: *Provided*,
2 That to the extent refunds are made from this appropriation
3 of excessive profits collected under the Renegotiation Act
4 and retained by the Reconstruction Finance Corporation
5 or any of its subsidiaries, the Reconstruction Finance Cor-
6 poration or the appropriate subsidiary shall reimburse this
7 appropriation: *Provided further*, That refunds made here-
8 under shall be based solely on the certificate of the War
9 Contracts Price Adjustment Board or its duly authorized
10 representatives.

11 DIVISION OF TAX RESEARCH

12 SALARIES

13 For personal services in the District of Columbia,
14 \$135,000.

15 OFFICE OF GENERAL COUNSEL

16 SALARIES

17 For personal services in the District of Columbia,
18 \$330,000.

19 SALARIES AND EXPENSES, OFFICE OF CONTRACT

20 SETTLEMENT

21 For expenses necessary to carry out the provisions of
22 the Contract Settlement Act of 1944, including contract
23 stenographic reporting services, \$70,000.

1 OFFICE OF ADMINISTRATIVE SERVICES

2 SALARIES

3 For personal services in the District of Columbia, in-
4 cluding the operating force of the Treasury, Liberty Loan,
5 and Auditors' buildings, and annexes thereof, ~~\$1,100,000~~
6 \$1,200,000.

7 MISCELLANEOUS EXPENSES

8 For necessary expenses of bureaus and offices of the
9 Treasury Department, not otherwise provided for, including
10 operation of the Treasury, Auditors', and Liberty Loan build-
11 ings and annexes thereof, printing and binding and purchase
12 of materials for the use of the bookbinder located in the
13 Treasury Department; \$325,000.

14 FISCAL SERVICE

15 BUREAU OF ACCOUNTS

16 SALARIES AND EXPENSES

17 For necessary expenses in the District of Columbia,
18 including contract stenographic reporting services and print-
19 ing and binding, \$1,550,000: *Provided*, That Federal
20 Reserve banks and branches may be reimbursed for printing
21 and binding and other necessary expenses incident to the
22 deposit of withheld taxes in Government depositories pur-
23 suant to the Current Tax Payment Act of 1943.

24 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

25 For necessary expenses of the Division of Disbursement,
26 including personal services in the District of Columbia, and

1 printing and binding, \$10,830,000: *Provided*, That with
2 the approval of the Bureau of the Budget there may be
3 transferred or advanced to this appropriation from Railroad
4 Retirement Board, "Conservation and use of agricultural
5 land resources, Department of Agriculture", and from avail-
6 able corporate funds of Government owned or controlled
7 corporations, such sums as may be necessary to cover the
8 expense incurred in performing the function of disbursement
9 therefor.

10 RECOINAGE OF SILVER COINS

11 For reimbursement of the Treasurer of the United States
12 for the difference between the face value of subsidiary silver
13 coins of the United States and the amount the same will
14 produce in new coins, \$150,000.

15 RELIEF OF THE INDIGENT, ALASKA

16 For relief of persons in Alaska (not to exceed 10 per
17 centum of the receipts from licenses collected outside of
18 incorporated towns in Alaska), as authorized by law (48
19 U. S. C. 41), \$20,000.

20 GOVERNMENT LOSSES IN SHIPMENT

21 Fund for payment of Government losses in shipment
22 (revolving fund) : For the payment of losses in accordance
23 with provisions of the Government Losses in Shipment Act,
24 approved July 8, 1937 (50 Stat. 479-484), as amended,
25 \$100,000.

REFUND OF MONEYS ERRONEOUSLY RECEIVED AND
COVERED

For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934 (31 U. S. C. 725q), and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, such amounts as hereafter may be necessary.

PAYMENT OF CERTIFIED CLAIMS

For payment of claims (not to exceed \$500 in any case) which may be certified by the Comptroller General of the United States to be within the limits of, and chargeable against the balances of the respective appropriations which, after remaining unexpended, have been carried to the surplus fund, such amounts as hereafter may be necessary.

PAYMENTS OF UNCLAIMED MONEYS

For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934 (31 U. S. C. 725p), payable from the trust fund receipts account "Unclaimed moneys of individuals whose whereabouts are unknown", such amounts as hereafter may be necessary.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed \$4,415,000 for promoting the sale of savings bonds, \$52,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)) : *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

DISTINCTIVE PAPER FOR UNITED STATES CURRENCY

For expenses necessary for distinctive paper for United States currency, including personal services and allowance,

1 in lieu of expenses, not to exceed \$50 per month each when
 2 actually on duty, of officers detailed from the Treasury
 3 Department, \$1,450,000: *Provided*, That in order to foster
 4 competition in the manufacture of distinctive paper for United
 5 States securities, the Secretary of the Treasury is authorized,
 6 in his discretion, to split the award for such paper for the
 7 current fiscal year between the two bidders whose prices
 8 per pound are the lowest received after advertisement.

9 OFFICE OF THE TREASURER

10 SALARIES AND EXPENSES

11 For necessary expenses of the Office of the Treasurer,
 12 including printing and binding, \$5,450,000: *Provided*, That
 13 with the approval of the Bureau of the Budget, there may be
 14 transferred or advanced to this appropriation, from Railroad
 15 Retirement Board, "Conservation and use of agricultural
 16 land resources, Department of Agriculture," and from avail-
 17 able corporate funds of Government owned or controlled cor-
 18 porations, such sums as may be necessary to cover the
 19 expenses incurred in the clearing of checks, servicing of
 20 bonds, handling of collections, and rendering of accounts
 21 therefor.

22 CONTINGENT EXPENSES, PUBLIC MONEYS

23 For the collection, safekeeping, transfer, and disburse-
 24 ment of the public money and securities of the United
 25 States, \$450,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan Numbered III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; not to exceed \$500 for newspapers; not to exceed \$100,000 for stationery; not to exceed \$12,000 for maintenance and improvement of buildings and sites, acquired under the Act of June 26, 1930 (19 U. S. C. 68) ; printing and binding; purchase of one hundred passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; not to exceed ~~\$1,000,000~~ \$1,040,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525) ; ~~\$35,000,000~~ \$35,300,000.

Hereafter overtime compensation of customs officers and employees, as authorized by law, shall be based either on

1 standard or daylight saving time, whichever is observed
2 where the overtime services are performed.

3 REVOLVING FUND, BUREAU OF CUSTOMS

4 For establishing a revolving fund which shall be avail-
5 able, without fiscal year limitation exclusively for transfer to
6 the appropriation for collecting the revenue from customs to
7 cover obligations of the Bureau of Customs arising from
8 authorized reimbursable services, pending reimbursement
9 from parties in interest, \$300,000: *Provided*, That amounts
10 so transferred shall be returned to the revolving fund not
11 later than six months after the close of the fiscal year in
12 which transferred.

13 REFUNDS AND DRAW-BACKS

14 For refund or payment of customs collections or receipts,
15 and payment of debentures or draw-backs, bounties, and
16 allowances, as authorized by law, such amounts as hereafter
17 may be necessary.

18 BUREAU OF INTERNAL REVENUE

19 SALARIES AND EXPENSES

20 For necessary expenses in assessment and collection of
21 internal-revenue taxes; administration of the internal-revenue
22 laws; discharge of functions imposed upon the Commis-
23 sioner of Internal Revenue by or pursuant to other laws;
24 investigations concerning the enrollment or disbarment of
25 practitioners before the Treasury Department in internal-

1 revenue matters; and acquisition, operation, maintenance,
2 and repair of property under title III of the Liquor Law
3 Repeal and Enforcement Act (40 U. S. C. 304f-m), in-
4 cluding ~~\$198,400,000~~ for personal services, of which not
5 to exceed ~~\$17,509,000~~ shall be available for personal serv-
6 ices ~~in the District of Columbia~~ *personal services in the Dis-*
7 *trict of Columbia, and elsewhere*; expenses, when specifically
8 authorized by the Commissioner, of attendance at meetings
9 of organizations concerned with internal-revenue matters;
10 purchase (not to exceed one hundred and eighty-four for
11 replacement only) and hire of passenger motor vehicles;
12 printing and binding; examination of estimates of appro-
13 priations in the field; services as authorized by section 15
14 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
15 expert witnesses at such rates as may be determined by the
16 Commissioner of Internal Revenue; not to exceed \$1,500,000
17 for stationery; expenses of seizure, custody, and disposal of
18 property; purchase of chemical analyses and expenses of
19 testimony thereon; ammunition; securing of information and
20 evidence; and not to exceed \$500,000 for detecting and
21 bringing to trial persons guilty of violating the internal-
22 revenue laws or conniving at the same, as authorized by
23 law (26 U. S. C. 3792); ~~\$220,500,000~~ *\$232,768,000*;
24 *Provided, That the amount for personal services in the Dis-*
25 *trict of Columbia shall not exceed \$17,509,000.*

1 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

2 For the payment to the Treasurer of Alaska of an amount
3 equal to the tax of 1 per centum collected on the gross annual
4 income of all railroad corporations doing business in Alaska,
5 on business done in Alaska, which tax is in addition to the
6 normal income tax collected from such corporations on net
7 income, the amount of such additional tax to be applicable
8 to general Territorial purposes, \$10,000.

9 BUREAU OF NARCOTICS

10 SALARIES AND EXPENSES

11 For expenses necessary to enforce sections 2550-2565;
12 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the
13 Internal Revenue Code; the Narcotic Drugs Import and
14 Export Act, as amended (21 U. S. C. 171-184) ; the Act of
15 June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-
16 198) and the Opium Poppy Control Act of 1942 (21 U. S.
17 C. 188-188n), including personal services in the District
18 of Columbia; printing and binding; services as authorized
19 by section 15 of the Act of August 2, 1946 (5 U. S. C.
20 55a) ; purchase of chemical analyses and testimony thereon;
21 expenses of seizure, custody, and disposal of property; hire
22 of passenger motor vehicles; arms and ammunition; not to
23 exceed \$10,000 for the collection and dissemination of infor-
24 mation and appeal for law observance and law enforcement,
25 including cost of printing; securing of information and

1 evidence; and not to exceed \$10,000 for services or infor-
2 mation looking toward the apprehension of narcotic law vio-
3 lators who are fugitives from justice; \$1,560,000
4 \$1,610,000.

5 BUREAU OF ENGRAVING AND PRINTING

6 SALARIES AND EXPENSES

7 For expenses necessary for engraving and printing (ex-
8 clusive of repay work), United States currency and inter-
9 nal-revenue stamps, opium orders and special-tax stamps
10 required under the Act of December 17, 1914 (26 U. S. C.
11 1040, 1383), checks, drafts, and miscellaneous work, in-
12 cluding the Director, two Assistant Directors, and other per-
13 sonal services in the District of Columbia; wages of rotary
14 press plate printers at per diem rates and all other plate
15 printers at piece rates to be fixed by the Secretary of the
16 Treasury, such rates not to exceed those usually paid for such
17 work; engravers', printers', and other materials, including
18 distinctive and nondistinctive paper not otherwise specifically
19 provided for; purchase of card and continuous form checks;
20 equipment of, repairs to, and maintenance of buildings and
21 grounds and minor alterations to buildings; not to exceed
22 \$500 for periodicals, examples of engraving and printing,
23 including foreign securities and stamps, and books of refer-
24 ence; not to exceed \$1,500 for travel; printing and binding;
25 and not to exceed \$15,000 for transfer to the Bureau of

1 Standards for scientific investigations; ~~\$15,000,000~~ \$16,000,-
2 000: *Provided*, That during the current fiscal year proceeds
3 derived from work performed by direction of the Secretary
4 of the Treasury but not covered in this appropriation, instead
5 of being covered into the Treasury as miscellaneous receipts
6 as provided by the Act of August 4, 1886 (31 U. S. C.
7 176), shall be credited to this appropriation.

8 SECRET SERVICE DIVISION

9 SALARIES AND EXPENSES

10 For expenses necessary in detecting, arresting, and
11 delivering into other custody dealers and pretended dealers in
12 counterfeit money, persons engaged in counterfeiting, forg-
13 ing, and altering United States notes, bonds, national bank
14 notes, Federal Reserve notes, Federal Reserve bank notes,
15 and other obligations and securities of the United States and
16 of foreign governments (including endorsements thereon and
17 assignments thereof), as well as the coins of the United
18 States and of foreign governments, and persons committing
19 other crimes against the laws of the United States relating
20 to the Treasury Department and the several branches of the
21 public service under its control, and for the protection of
22 the person of the President and the members of his immediate
23 family and of the person chosen to be President of the United
24 States, including personal services in the District of Co-

1 lumbia; purchase (not to exceed fifteen) and hire of passen-
2 ger motor vehicles; printing and binding; arms and ammuni-
3 tion; and not to exceed \$15,000, with the approval of the
4 Chief of the Secret Service, for services or information look-
5 ing toward the apprehension of criminals; ~~\$1,900,000~~
6 ~~\$1,950,000~~.

7 SALARIES AND EXPENSES, WHITE HOUSE POLICE

8 For necessary expenses, including personal services, uni-
9 forms and equipment, and arms and ammunition, purchases
10 to be made in such manner as the President may determine,
11 \$370,000.

12 SALARIES AND EXPENSES, GUARD FORCE

13 For necessary expenses of the guard force for Treasury
14 Department buildings in the District of Columbia, includ-
15 ing the Bureau of Engraving and Printing, and elsewhere,
16 including purchase, repair, and cleaning of uniforms; arms
17 and ammunition; \$700,000: *Provided*, That not to exceed
18 \$193,015 of the appropriation "Salaries and expenses, Bu-
19 reau of Engraving and Printing", may be advanced to this
20 appropriation to cover service rendered such Bureau which
21 is not covered in the direct appropriations for such Bureau:
22 *Provided further*, That the Secretary of the Treasury may
23 detail two agents of the Secret Service to supervise such
24 force.

1 CONTRIBUTION FOR ANNUITY BENEFITS

2 For reimbursement to the District of Columbia on a
3 monthly basis for benefit payments made from the revenues of
4 the District of Columbia to members of the White House
5 Police force and such members of the United States Secret
6 Service Division as are entitled thereto under the Act of Octo-
7 ber 14, 1940 (54 Stat. 1118), to the extent that such benefit
8 payments are in excess of the salary deductions of such mem-
9 bers credited to said revenues of the District of Columbia
10 during the current fiscal year, pursuant to section 12 of the
11 Act of September 1, 1916 (39 Stat. 718), as amended,
12 \$84,600.

13 BUREAU OF THE MINT

14 SALARIES AND EXPENSES

15 For necessary expenses at the mints at Philadelphia,
16 Pennsylvania, San Francisco, California, and Denver,
17 Colorado; the assay offices at New York, New York, and
18 Seattle, Washington; the bullion depositories at Fort Knox,
19 Kentucky, and West Point, New York; and the Office of the
20 Director of the Mint, and for carrying out the provisions of
21 the Gold Reserve Act of 1934 and the Silver Purchase Act
22 of 1934, including personal services in the District of Colum-
23 bia, printing and binding, arms and ammunition, purchase
24 and maintenance of uniforms and accessories for guards, cases
25 and enameling for medals manufactured, net wastage in

1 melting and refining and in coining departments, loss on sale
2 of sweeps arising from the treatment of bullion and the manu-
3 facture of coins, not to exceed \$1,000 for the expenses of the
4 annual assay commission, and not to exceed \$1,000
5 for acquisition, at the dollar-face amount or otherwise,
6 of specimen and rare coins, including United States and
7 foreign gold coins and pieces of gold used as, or in lieu of,
8 money, and ores, for addition to the Government's collection;
9 \$4,800,000.

10 BUREAU OF FEDERAL SUPPLY

11 SALARIES AND EXPENSES

12 For necessary expenses, including personal services in
13 the District of Columbia, printing and binding, services as
14 authorized by section 15 of the Act of August 2, 1946
15 (5 U. S. C. 55a), and attendance at meetings of organiza-
16 tions of concern to the work of the Bureau, \$1,450,000:
17 *Provided*, That the general supply fund shall be available
18 for (1) procurement for non-Federal agencies for which a
19 Federal agency is authorized to procure; (2) purchase from
20 or through the Public Printer of standard forms and blank-
21 book work for field warehouse stocking and issue, such issues
22 to be chargeable to applicable appropriations and to be
23 reported as the Public Printer may require; (3) printing
24 and binding, purchase of ten passenger motor vehicles for

1 replacement only, and attendance at meetings of organiza-
2 tions of concern to the operation of the general supply fund;
3 and (4) reconditioning and repair of supplies for Govern-
4 ment service: *Provided further*, That payments to the gen-
5 eral supply fund may be made (1) in advance; (2) by
6 transfer and counter warrants based on itemized invoices at
7 issue prices fixed by the Director; and (3) by vouchers
8 certified by the requisitioning agency on the basis of the
9 Bureau's billing, subject to later adjustment if necessary, and
10 in such cases the certifying officer shall be responsible only
11 for the availability of the funds charged: *Provided further*,
12 That when functions are transferred to the Bureau of Fed-
13 eral Supply, transfers may be made from applicable appro-
14 priations or funds to the Bureau of Federal Supply of
15 amounts approved by the Bureau of the Budget as neces-
16 sary for the proper performance of the functions transferred,
17 including personal services: *Provided further*, That after
18 June 30, 1949, ~~notwithstanding any other provision of law,~~
19 the proceeds of sale of surplus property by the Bureau of
20 Federal Supply shall be covered into the Treasury as miscel-
21 laneous receipts, *except where reimbursement to an appro-*
22 *priation or fund is authorized by law.*

23 During the current fiscal year, no part of any money
24 appropriated in this or any other Act shall be used during
25 any quarter of such fiscal year to purchase typewriting

1 machines (except bookkeeping and billing machines) at
2 a price which exceeds 90 per centum of the lowest net
3 cash price, plus applicable Federal excise taxes, accorded
4 the most-favored customer (other than the Government, the
5 American National Red Cross, and the purchasers of type-
6 writing machines for educational purposes only) of the
7 manufacturer of such machines during the six-month period
8 immediately preceding such quarter.

9 No part of any money appropriated by this or any
10 other Act for any agency of the executive branch of the
11 Government (which shall include all departments, inde-
12 pendent establishments, and wholly owned Government
13 corporations) shall be used during the current fiscal year
14 for the purchase within the continental limits of the United
15 States of any typewriting machines (except typewriting
16 machines for veterans under public laws administered by
17 the Veterans' Administration) unless the Director of the
18 Bureau of Federal Supply certifies that he is unable to fur-
19 nish such agency with suitable typewriting machines out
20 of stock on hand: *Provided however, That the Director of*
21 *the Bureau of Federal Supply may purchase and deliver*
22 *to any agency in the executive branch of the Government,*
23 *within appropriated funds otherwise available to such*
24 *agency, new typewriters in lieu of an equivalent number of*
25 *typewriters owned by such agency which are eight or more*

1 *years of age, such over age machines to be delivered to the*
2 *Bureau of Federal Supply for application as part-payment*
3 *for new machines or disposal by public sale, whichever*
4 *is to the best interests of the Government.* The Director
5 of the Bureau of Federal Supply is authorized and directed
6 at such times as he may determine to be necessary to survey
7 and determine the numbers and kinds of typewriting ma-
8 chines located in the continental limits of the United States
9 which are at any time surplus to the requirements of any
10 agency in the executive branch of the Government (which
11 shall include all departments, independent establishments, and
12 wholly owned Government corporations). Upon such deter-
13 mination, the Director of the Bureau of Federal Supply is
14 authorized to direct, upon such notice and in such manner
15 as he may prescribe, the head of any such agency to sur-
16 render to the Bureau of Federal Supply any and all type-
17 writing machines surplus to its requirements, the costs of
18 packing, shipping, and handling thereof to be charged to
19 the general supply fund. Each such agency shall furnish
20 the Director of the Bureau of Federal Supply such informa-
21 tion regarding typewriting machines, wherever located, as
22 he may from time to time request. The Bureau of Federal
23 Supply is authorized and directed to receive, hold, sell,
24 exchange, or supply to any branch of the Government,
25 including the District of Columbia, typewriting machines

1 surrendered to it hereunder, *except as to typewriters eight*
2 *or more years of age which shall be sold at public sale or*
3 *exchanged as hereinbefore provided.* The Director of the Bu-
4 reau of Federal Supply is authorized to charge each agency
5 to which typewriting machines are supplied hereunder
6 amounts equal to the fair value thereof, as determined by
7 him, and such amounts shall be credited to the general
8 supply fund.

9 GENERAL SUPPLY FUND

10 To increase the general supply fund established by the
11 Act of February 27, 1929, as amended (41 U. S. C. 7c),
12 \$479,803.93.

13 NET RENEGOTIATION REBATES

14 For necessary expenses in connection with the process-
15 ing and determination of net renegotiation rebates under
16 section 403 (a) (4) (D) of the Renegotiation Act,
17 including personal services in the District of Columbia,
18 \$125,000.

19 STRATEGIC AND CRITICAL MATERIALS

20 For necessary expenses in carrying out the provisions of
21 the Strategic and Critical Materials Stock Piling Act of July
22 23, 1946, including personal services in the District of Co-
23 lumbia; services as authorized by section 15 of the Act of
24 August 2, 1946 (5 U. S. C. 55a); purchase of fifteen pas-
25 senger motor vehicles; and printing and binding; \$525,-

1 000,000, to be immediately available and to remain available
2 until expended, of which \$250,000,000 is for liquidation of
3 obligations incurred pursuant to authority heretofore granted
4 under this head; and in addition to the amount herein appro-
5 priated, contracts may be entered into for the purposes of
6 the said Act of July 23, 1946, in an amount not in excess of
7 \$250,000,000: *Provided*, That any funds received as pro-
8 ceeds from sale or other disposition of materials on account
9 of the rotation of stocks under said Act shall be deposited
10 to the credit, and be available for expenditure for the pur-
11 poses, of this appropriation: *Provided further*, That during
12 the current fiscal year, there shall be no limitation on the
13 value of surplus strategic and critical materials which, in
14 accordance with subsection 6 (a) of the Act of July 23,
15 1946 (60 Stat. 598), may be transferred to stock piles estab-
16 lished in accordance with said Act.

17 COAST GUARD

18 SALARIES, OFFICE OF THE COMMANDANT

19 For personal services at the seat of Government,
20 \$2,500,000.

21 PAY AND ALLOWANCES

22 For pay and allowances prescribed by law for com-
23 missioned officers, cadets, warrant officers, petty officers,
24 and other enlisted personnel, on active duty, and six civil-
25 ian instructors; not exceeding \$10,000 for cash prizes for

1 men for excellence in boatmanship, gunnery, target prac-
2 tice, and engineering competitions; transportation of
3 dependents of Coast Guard personnel on active duty and
4 retired and Reserve officers and of retired and Reserve
5 enlisted personnel, of grades entitled to transportation of
6 dependents in the Regular Coast Guard, when ordered to
7 active duty (other than training) and upon relief there-
8 from; carrying out the provisions of the Act of June 4,
9 1920 (34 U. S. C. 943) ; not to exceed \$32,200 for cost
10 of instruction of officers at non-Federal institutions, includ-
11 ing books, laboratory equipment and fees, school supplies,
12 and maintenance of students; motion-picture and other equip-
13 ment for instructional purposes; rations or commutation
14 thereof for cadets, petty officers, other enlisted personnel,
15 members of the Coast Guard Auxiliary when assigned spe-
16 cific duties under the provisions of section 8, Act of February
17 19, 1941, as amended (14 U. S. C. 267) , working parties in
18 the field, and officers and crews of light vessels and tenders
19 (14 U. S. C. 135) ; mileage and expenses allowed by law
20 for officers, including per diem rates of allowance, and the
21 Secretary is hereby authorized to prescribe per diem rates
22 of allowance for Public Health Service officers detailed to
23 the Coast Guard as authorized for Coast Guard officers;
24 traveling expenses of other persons traveling on duty under
25 orders from the Treasury Department, including transporta-

1 tion of cadets, enlisted personnel, and applicants for enlist-
2 ment, with subsistence and transfers en route, or cash in lieu
3 thereof; transportation in kind and subsistence to discharged
4 cadets; uniform clothing for enlisted men as provided by
5 law (14 U. S. C. 13) ; clothing for enlisted personnel au-
6 thorized by law; civilian clothing, including an overcoat
7 when necessary, the cost of all not to exceed \$30 per person
8 to enlisted personnel given discharges for bad conduct, un-
9 desirability, unsuitability, or inaptitude; reimbursement in
10 kind or in cash as authorized by law to persons in the Coast
11 Guard for personal property lost, destroyed, or damaged;
12 actual expenses of officers and cadets and quarters and sub-
13 sistence of enlisted personnel on shore patrol, emergency
14 shore detail and other detached duty, or cash in lieu thereof;
15 hire of quarters for officers serving with troops where suffi-
16 cient quarters are not possessed by the United States to ac-
17 commodate them; hire of quarters for Coast Guard personnel
18 comparable to quarters assignable on a capital ship of the
19 Navy, as authorized by the Secretary to meet emergency
20 conditions, including officers and men on sea duty at such
21 times as they may be deprived of their quarters on board
22 ship due to repairs or other conditions which may render
23 them uninhabitable: *Provided*, That under this authorization
24 no funds may be expended for the hire of quarters for occu-
25 pancy by the dependents of officers or enlisted personnel;

1 expenses of recruiting for the Coast Guard; advertising for
2 and obtaining enlisted personnel and applicants for appoint-
3 ment as cadets; training of enlisted personnel, including text-
4 books, school supplies, and correspondence courses; transfer
5 of household goods and effects of Coast Guard and Coast
6 Guard Reserve personnel on active duty and when ordered
7 to active duty and upon relief therefrom, and the transfer
8 of household goods and effects of deceased Coast Guard and
9 Coast Guard Reserve personnel who die while on active duty,
10 as prescribed by law and regulations; purchase of provisions
11 for sale to Coast Guard personnel at isolated stations, and
12 the appropriation reimbursed; and including not to exceed
13 \$190,000 for recreation, amusement, comfort, contentment,
14 and health of the enlisted personnel of the Coast
15 Guard, to be expended pursuant to regulations pre-
16 scribed by the Secretary; apprehension and delivery of
17 deserters and stragglers (14 U. S. C. 147); ~~\$74,500,000~~
18 ~~\$77,445,000~~: *Provided*, That no part of this appro-
19 priation shall be used (1) to pay any enlisted man
20 of the Coast Guard while detailed for duty at Coast
21 Guard headquarters if such detail increases above thirty the
22 total number of enlisted men detailed to such duty at any
23 time, or (2) for increased pay for making aerial flights by
24 nonflying officers or observers at rates in excess of those

1 prescribed by law for the Air Force, which shall be the
2 legal maximum rates as to such nonflying officers or
3 observers.

4 RETIRED PAY

5 For retired pay for commissioned officers, warrant
6 officers, enlisted personnel, for certain members of the former
7 Life Saving Service authorized by the Act approved April
8 14, 1930 (14 U. S. C. 178a), and for certain officers and
9 employees entitled thereto by virtue of former employment
10 in the Lighthouse Service engaged in the field service or on
11 vessels of the Coast Guard except persons continuously em-
12 ployed in district offices and shops (33 U. S. C. 763, 765),
13 \$13,134,000.

14 GENERAL EXPENSES

15 For expenses necessary for the operation and main-
16 tenance of the Coast Guard ashore and afloat, except as spe-
17 cifically provided for in other appropriations, including per-
18 sonal services; services as authorized by section 15 of the
19 Act of August 2, 1946 (5 U. S. C. 55a); printing and bind-
20 ing; purchase of not to exceed thirty-one passenger motor
21 vehicles for replacement only, and maintenance, operation,
22 and repair of aircraft; improvement of property for Coast
23 Guard purposes, including rental, purchase, or use of addi-
24 tional land where necessary and the purchase of land for bea-
25 cons, daymarks, and fog signals; subsistence and clothing for

1 shipwrecked and destitute persons, including reimbursement,
 2 under rules prescribed by the Secretary, of Coast Guard
 3 personnel who furnish from their personal stock subsistence
 4 and clothing to such persons (33 U. S. C. 749) ; for pay-
 5 ment of claims authorized under the Act of December 28,
 6 1945, as amended (31 U. S. C. 222g) ; examination of
 7 estimates of appropriations in the field ; not to exceed \$2,500
 8 for contingencies for the Superintendent, United States
 9 Coast Guard Academy, to be expended in his discretion
 10 (14 U. S. C. 15k) ; payment of rewards for the apprehen-
 11 sion and conviction, or for information helpful therein, of
 12 persons found interfering in violation of law with aids to
 13 navigation maintained by the Coast Guard (14 U. S. C.
 14 50c) ; ~~\$39,225,000~~ \$39,988,000: *Provided*, That the num-
 15 ber of aircraft on hand at any one time shall not exceed
 16 one hundred and ten exclusive of planes and parts stored
 17 to meet future attrition.

18 CIVILIAN EMPLOYEES

19 For personal services in the field, not otherwise pro-
 20 vided for, including per diem labor, \$4,400,000.

21 The Secretary of the Treasury may transfer funds be-
 22 tween the foregoing appropriations for the Coast Guard, but
 23 no appropriation shall be either increased or decreased more
 24 than 5 per centum by such transfers.

25 The capital of the Coast Guard supply fund shall be

1 increased by the value of commissary provisions and uniform
2 clothing on hand on July 1, 1949, and thereafter, under
3 regulations prescribed by the Secretary, the Coast Guard
4 supply fund shall be charged with the cost of procurement
5 and credited with the value of provisions consumed or sold,
6 and the value of issues and sales of clothing, such values to
7 be determined on a basis which will not increase the capital
8 of the fund.

9 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

10 For establishing and improving aids to navigation; the
11 purchase or construction of additional and replacement ves-
12 sels and their equipment; the purchase of aircraft and their
13 equipment; the construction, rebuilding, or extension of
14 shore facilities, including the acquisition of sites and im-
15 provements thereon when specifically approved by the Sec-
16 retary; and for expenditures directly relating thereto, in-
17 cluding personal services at the seat of government; \$10,-
18 000,000, to remain available until expended.

19 SEC. 102. No part of any appropriation or authorization
20 in this Act shall be used to pay any part of the salary or
21 expenses of any person whose salary or expenses are pro-
22 hibited from being paid from any appropriation or authoriza-
23 tion in any other Act.

24 SEC. 103. This title may be cited as the "Treasury
25 Department Appropriation Act, 1950".

1 TITLE II—POST OFFICE DEPARTMENT

2 The following sums are appropriated in conformity with
 3 5 United States Code 361, 380; 39 United States Code 786,
 4 for the Post Office Department for the fiscal year ending
 5 June 30, 1950, namely:

6 DEPARTMENTAL SERVICE

7 SALARIES

8 For personal services in the District of Columbia in
 9 bureaus and offices, as follows:

10 Office of the Postmaster General, including a health
 11 service program as authorized by law, ~~\$435,000~~ \$437,100.

12 Office of Budget and Administrative Planning,
 13 ~~\$125,000~~ \$132,300.

14 Office of the First Assistant Postmaster General,
 15 ~~\$1,290,000~~ \$1,297,000.

16 Office of the Second Assistant Postmaster General,
 17 ~~\$1,250,000~~ \$1,261,000, including \$160,000 available only
 18 for temporary personal services in the District of Columbia,
 19 and services as authorized by section 15 of the Act of
 20 August 2, 1946 (5 U. S. C. 55a), in connection with rate
 21 hearings before the Interstate Commerce Commission.

22 Office of the Third Assistant Postmaster General,
 23 ~~\$1,485,000~~ \$1,519,000.

24 Office of the Fourth Assistant Postmaster General,
 25 ~~\$900,000~~ \$927,000.

1 Office of the Solicitor, including services as authorized
 2 by section 15 of the Act of August 2, 1946 (5 U. S. C.
 3 55a), ~~\$300,000~~ \$305,900.

4 Office of the Chief Inspector, ~~\$435,000~~ \$446,900.

5 Office of the Purchasing Agent, ~~\$95,000~~ \$101,400.

6 Bureau of Accounts, ~~\$550,000~~ \$562,000.

7 CONTINGENT EXPENSES

8 For necessary contingent and miscellaneous expenses
 9 not otherwise provided for; printing and binding for the
 10 departmental and field services; purchase and exchange of
 11 lawbooks and books of reference; newspapers; and not to
 12 exceed \$10,500 for travel expenses of the purchasing agent
 13 and of the solicitor and personnel connected with those
 14 offices; ~~\$2,700,000~~ \$2,865,000.

15 FIELD SERVICE

16 OFFICE OF THE POSTMASTER GENERAL

17 TRAVEL AND MISCELLANEOUS EXPENSES

18 For travel and miscellaneous expenses in the field
 19 service, offices of the Postmaster General and Assistant Post-
 20 masters General, \$3,000.

21 DAMAGE CLAIMS

22 For payment of claims for damages, current and prior
 23 fiscal years, pursuant to law (28 U. S. C. 2672; 31 U. S. C.
 24 224c), \$450,000.

ADJUSTED LOSSES

1

2 For payments or credits to postmasters and to mail
 3 clerks and assistant mail clerks of the Army, Navy, Air
 4 Force, and Coast Guard, of amounts ascertained to have
 5 been lost or destroyed during the current or prior fiscal years
 6 through unavoidable casualty, as authorized by law (39
 7 U. S. C. 49), \$75,000.

8

OFFICE OF THE CHIEF INSPECTOR

9

INSPECTORS

10 For personal services of fifteen inspectors in charge of
 11 divisions and eight hundred inspectors, ~~\$4,750,000~~
 12 \$4,810,000.

13

MISCELLANEOUS EXPENSES, INSPECTION SERVICE

14

For necessary travel and miscellaneous expenses incurred
 15 in the operation of the inspection service, including not to
 16 exceed \$27,600 for chemical and other investigations,
 17 ~~\$950,000~~ \$958,000.

18

CLERKS, INSPECTION SERVICE

19

For personal services of three hundred and eighty-nine
 20 clerks in the inspection service, ~~\$1,325,000~~ \$1,333,000.

21

REWARDS

22

For payment of rewards for the detection, arrest, and
 23 conviction of post office burglars, robbers, highway mail
 24 robbers, and persons mailing or causing to be mailed any

1 bomb, infernal machine, or mechanical, chemical, or other
2 device or composition which may ignite, or explode, cur-
3 rent and prior fiscal years, \$55,000: *Provided*, That rewards
4 may be paid in the discretion of the Postmaster General,
5 when an offender of the classes mentioned was killed in
6 the act of committing the crime or in resisting lawful
7 arrest: *Provided further*, That no part of this sum shall be
8 used to pay any rewards at rates in excess of those specified
9 in Post Office Department Order 36844, dated March 12,
10 1948: *Provided further*, That of the amount herein appro-
11 priated not to exceed \$20,000 may be expended in the
12 discretion of the Postmaster General, for the purpose of
13 securing information concerning violations of the postal laws
14 and for services and information looking toward the appre-
15 hension of criminals.

16 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL
17 POSTMASTERS

18 For personal services of postmasters, including persons
19 who, pending the designation of an acting postmaster,
20 assume and perform the duties of postmaster in the event
21 of a vacancy in the office of postmaster of the third or
22 fourth class, and persons who perform the duties for post-

1 masters of the fourth class absent on sick or annual leave
 2 or leave without pay, and for allowances for rent, light,
 3 fuel, and equipment to postmasters of the fourth class,
 4 \$104,000,000.

5 ASSISTANT POSTMASTERS

6 For personal services of assistant postmasters at first-
 7 and second-class offices, \$15,000,000.

8 CLERKS, FIRST- AND SECOND-CLASS OFFICES

9 For personal services of clerks and employees at first-
 10 and second-class offices, including auxiliary clerk hire at
 11 summer and winter offices, printers, mechanics, skilled
 12 laborers, watchmen, messengers, mail handlers, and sub-
 13 stitutes; and a health service program as authorized by law.
 14 ~~\$625,000,000~~ \$633,000,000.

15 CONTRACT STATION SERVICE

16 For contract station service, \$3,700,000.

17 SEPARATING MAILS

18 For separating mails at fourth-class offices, \$180,000.

19 UNUSUAL CONDITIONS

20 For unusual conditions at post offices, \$25,000.

21 CLERKS, THIRD-CLASS OFFICES

22 For personal services of clerks at third-class offices,
 23 ~~\$33,000,000~~ \$33,750,000.

1 MISCELLANEOUS ITEMS, FIRST- AND SECOND-CLASS

2 OFFICES

3 For personal services and expenses necessary for the
 4 operation and protection of offices of the first and second
 5 classes, not otherwise provided for, ~~\$4,500,000~~ \$4,843,000.

6 VILLAGE DELIVERY SERVICE

7 For personal services and expenses necessary for the
 8 operation of village delivery service in towns and villages
 9 having offices of the second or third class, and in communi-
 10 ties adjacent to cities having city delivery, ~~\$375,000~~
 11 \$383,000.

12 DETROIT RIVER SERVICE

13 For Detroit River postal service, \$12,500.

14 CARFARE AND BICYCLE ALLOWANCE

15 For carfare and bicycle allowance, including special
 16 delivery carfare, cost of transporting carriers by privately
 17 owned automobiles to and from their routes, at rates not
 18 exceeding regular streetcar or bus fare, and purchase, main-
 19 tenance, and exchange of bicycles, ~~\$3,250,000~~ \$3,500,000.

20 CITY DELIVERY CARRIERS

21 For personal services of carriers in the city delivery
 22 service, and employees in the United States official mail and
 23 messenger service, ~~\$392,000,000~~ \$394,500,000.

SPECIAL DELIVERY SERVICE

For personal services of and fees to special delivery messengers, \$16,500,000.

RURAL DELIVERY SERVICE

For personal services of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, \$153,500,000, of which not less than \$200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

STAR ROUTE SERVICE

For inland transportation by star routes, ~~\$30,000,000~~ \$33,475,000.

POWERBOAT SERVICE

For inland transportation by powerboat routes, \$2,250,000.

RAILROAD AND MESSENGER SERVICE

For inland transportation by railroad routes and for mail messenger service, \$222,708,000: *Provided*, That separate accounts shall be kept of the amount expended for mail messenger service.

1 SALARIES, RAILWAY MAIL SERVICE

2 For personal services of fifteen general superintendents,
3 fifteen assistant general superintendents, four assistant gen-
4 eral superintendents at large, one hundred and twenty
5 district superintendents, one hundred and twenty assistant
6 district superintendents, and other employees in the railway
7 mail service, ~~\$128,500,000~~ \$129,500,000.

8 TRAVEL ~~ALLOWANCE~~, RAILWAY MAIL SERVICE

9 For travel allowance of the railway mail service, in-
10 cluding travel expenses of departmental officials and
11 employees of the railway mail service, ~~\$8,000,000~~
12 \$8,150,000.

13 MISCELLANEOUS EXPENSES, RAILWAY MAIL SERVICE

14 For necessary expenses of the railway mail service not
15 otherwise provided for, ~~\$600,000~~ \$737,000.

16 ELECTRIC CAR SERVICE

17 For electric car service, \$175,000.

18 FOREIGN MAIL TRANSPORTATION

19 For transportation of foreign mails, except by aircraft,
20 \$11,500,000: *Provided*, That not to exceed \$2,000 is hereby
21 made available for expenses of delegates designated by the
22 Postmaster General to The Executive and Liaison Commis-
23 sion and the Transit Commission of the Universal Postal

1 Union, to be expended in the discretion of the Postmaster
2 General and accounted for solely on his certificate.

3 AMOUNTS DUE FOREIGN COUNTRIES

4 For payments of amounts due foreign countries for
5 transportation and handling of mails of United States origin,
6 current and prior fiscal years, \$10,000,000.

7 INDEMNITIES, INTERNATIONAL MAIL

8 For payment of limited indemnity for the injury or loss
9 of international mail in accordance with convention, treaty,
10 or agreement stipulations, current and prior fiscal years,
11 \$50,000.

12 FOREIGN AIR MAIL SERVICE

13 For expenses necessary for transportation of foreign
14 mails by aircraft, as authorized by law, \$45,308,000.

15 DOMESTIC AIR MAIL SERVICE

16 For expenses necessary for the inland transportation of
17 mail by aircraft, as authorized by law, including not to ex-
18 ceed \$225,000 for personal services at field headquarters,
19 \$41,753,000.

20 OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

21 STAMPS AND STAMPED PAPER

22 For manufacture and distribution of stamps and
23 stamped paper, including not to exceed \$33,000 for per-

1 sonal services of employees and other necessary expenses
 2 of the United States Stamped Envelope Agency,
 3 \$11,000,000.

4 INDEMNITIES, DOMESTIC MAIL

5 For payment of indemnity for the injury or loss of
 6 domestic registered, insured, and collect-on-delivery mail,
 7 and for failure to remit collect-on-delivery charges, cur-
 8 rent and prior fiscal years, \$4,250,000.

9 UNPAID MONEY ORDERS

10 For payment of domestic money orders after one year
 11 from the last day of the month of issue of such orders,
 12 such amounts as hereafter may be necessary.

13 OFFICE OF THE FOURTH ASSISTANT POSTMASTER

14 GENERAL

15 SUPPLIES AND EQUIPMENT

16 For the purchase, manufacture, repair, and installation
 17 of necessary miscellaneous equipment and supplies for the
 18 field service not otherwise provided for; not to exceed
 19 \$1,500 for the purchase of atlases and geographical and
 20 technical works; not to exceed \$239,000 for personal serv-
 21 ices, including seventeen traveling mechanics; rental of
 22 canceling machines and motors, mechanical mail-handling
 23 apparatus, and other labor-saving devices; and travel ex-
 24 penses; ~~\$11,000,000~~ \$11,550,000, of which \$750,000 shall

1 be available exclusively for the development, manufacture,
 2 and purchase of modern mechanical postal devices to improve
 3 and facilitate mail handling, financial operations, and other
 4 postal functions: *Provided*, That the Postmaster General
 5 may authorize the sale to the public of post-route maps and
 6 rural-delivery maps at the cost of printing and 10 per centum
 7 thereof added: *Provided further*, That for wrapping twine
 8 and tying devices (not more than three-fourths of the funds
 9 herein appropriated for the purchase of twine shall be ex-
 10 pended in the purchase of twine manufactured from ma-
 11 terials or commodities produced outside the United States).

12 EQUIPMENT SHOPS

13 For purchase, manufacture, and repair of mail bags and
 14 other equipment for the field service not otherwise provided
 15 for; and for expenses necessary for the operation, mainte-
 16 nance, and protection of the mail-equipment-shops building,
 17 grounds, and equipment, including not to exceed \$1,510,000
 18 for personal services in the District of Columbia and a health-
 19 service program as authorized by law; \$19,000,000, of
 20 which not to exceed \$15,000 shall be available for the pur-
 21 chase of material and the manufacture in the equipment shops
 22 of such small quantities of distinctive equipment as may be
 23 required by other executive departments.

1 RENT, FUEL, AND UTILITY SERVICES

2 For rent, light, power, fuel, and water, for first-, second-,
3 and third-class offices, and the cost of advertising for lease
4 proposals for such offices, ~~\$16,800,000~~ \$17,580,000.

5 PNEUMATIC TUBE SERVICE

6 For rental of not to exceed twenty-eight miles of pneu-
7 matic tubes, personal services, communication service,
8 electric power, and other expenses for transmission
9 of mail in the city of New York including the Borough of
10 Brooklyn; and for rental of not to exceed two miles of pneu-
11 matic tubes, not including personal services and power in
12 operating the same, for the transmission of mail in the city
13 of Boston, Massachusetts; \$775,000: *Provided*, That the
14 Acts of April 21, 1902, May 27, 1908, and June 19,
15 1922 (39 U. S. C. 423), relating to contracts for the trans-
16 mission of mail by pneumatic tubes or other similar devices
17 shall not be applicable to the city of New York, and the
18 provisions not inconsistent herewith of the Acts of April
19 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be
20 applicable to the city of Boston.

21 VEHICLE SERVICE

22 For the hire, purchase, maintenance, repair, and opera-
23 tion of vehicles, including tractors and trailer trucks, for use
24 in the collection, transportation, delivery, and supervision of
25 the mail, including the repair of vehicles owned by, or under

1 the control of, units of the National Guard and departments
 2 and agencies of the Federal Government where repairs are
 3 made necessary because of utilization of such vehicles in the
 4 field service; rental of garage facilities; lease of quarters not
 5 exceeding a term of ten years for the housing of Government-
 6 owned vehicles, and personal services in the motor vehicle
 7 service, ~~\$51,000,000~~ \$53,418,000, of which \$5,631,000
 8 shall be available exclusively for the purchase of trucks,
 9 including tractors and trailers: *Provided*, That no part of
 10 this appropriation shall be expended for maintenance or
 11 repair of vehicles for use in connection with administrative
 12 work in the departmental service.

13 TRANSPORTATION OF EQUIPMENT AND SUPPLIES

14 For the transportation and delivery of equipment, mater-
 15 ials, and supplies for the departmental and field services by
 16 freight, express, or motor transportation, and other incidental
 17 expenses, \$900,000.

18 SALARIES, CUSTODIAL SERVICE

19 For personal services in the custodial service,
 20 ~~\$52,300,000~~ \$53,600,000.

21 SUPPLIES, PUBLIC BUILDINGS

22 For necessary miscellaneous articles, services and sup-
 23 plies, including transportation thereof, required for the opera-
 24 tion of completed and occupied public buildings and grounds
 25 operated by the Post Office Department, \$8,000,000

1 \$8,523,000, which shall not be available for personal services
 2 except for work done by contract, or for temporary job labor
 3 under exigency not exceeding at one time the sum of \$250
 4 at any one building: *Provided*, That the Postmaster General
 5 is authorized to contract for telephone service in public
 6 buildings under his administration by means of telephone
 7 switchboards or equivalent telephone switching equipment
 8 jointly serving in each case two or more governmental
 9 activities, where he determines that joint service is eco-
 10 nomical and in the interest of the Government, and to
 11 secure reimbursement for the cost of such joint service from
 12 available appropriations for telephone expenses of the
 13 bureaus and offices receiving the same.

14 EQUIPMENT, PUBLIC BUILDINGS

15 For the procurement, including transportation, of furni-
 16 ture, carpets, safes, safe and vault protective devices, and
 17 repairs of same, for use in public buildings which are now,
 18 or may hereafter be, operated by the Post Office Department,
 19 ~~\$1,125,000~~ \$1,250,000: *Provided*, That excepting expend-
 20 itures for labor for or incidental to the moving of equipment
 21 from or into public buildings, the foregoing appropriation
 22 shall not be used for personal services except for work done
 23 under contract or for temporary job labor under exigency and
 24 not exceeding at one time the sum of \$100 at any one build-

ing: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

POSTAL DEFICIENCY

DEFICIENCY IN POSTAL REVENUES

If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under this title, a sum equal to such deficiency in the revenues is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues for the current fiscal year, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

POST OFFICE DEPARTMENT—GENERAL PROVISIONS

SEC. 202. Unless otherwise provided, no part of any appropriation in this title for the field service shall be expended on account of the departmental service: *Provided*, That necessary expenses of officials and employees of the departmental or field services traveling on official business may be paid from the appropriation for the service in connection with which the travel is performed: *Provided further*, That appropriations made in this title for the field

1 service, except such as are exclusively for personal services,
2 shall be available for examination of estimates of appropria-
3 tions in the field.

4 SEC. 203. Appropriations made in this title for the de-
5 partmental and field services shall be available for expendi-
6 tures in connection with accident prevention in the respective
7 services.

8 SEC. 204. Not to exceed 5 per centum of any appropria-
9 tion for the field service may be transferred, with the ap-
10 proval of the Director of the Bureau of the Budget, to any
11 other appropriation or appropriations under the field service,
12 but no appropriation shall be increased more than 10 per
13 centum by such transfers.

14 SEC. 205. Appropriations in this title available either
15 for personal services or for necessary expenses or for miscel-
16 laneous supplies shall be available for printing and binding.

17 SEC. 206. Appropriations in this title for the purchase
18 of fuel and the transportation thereof shall be immediately
19 available.

20 *SEC. 207. During the fiscal year 1950 the Postmaster*
21 *General shall make quarterly reports to the Senate and*
22 *House Committees on Appropriations, showing for each*
23 *quarter the amount paid from each appropriation for over-*
24 *time, the number of employees receiving such overtime, and*
25 *the number of hours of overtime worked by such em-*

1 *ployees, together with a statement as to the necessity for*
2 *such overtime work.*

3 SEC. ~~207~~ 208. This title may be cited as the "Post
4 Office Department Appropriation Act, 1950".

5 TITLE III—GOVERNMENT CORPORATIONS

6 The following corporations, respectively, are hereby
7 authorized to make such expenditures, within the limits of
8 funds and borrowing authority available to each such cor-
9 poration and in accord with law, and to make such contracts
10 and commitments without regard to fiscal year limitations
11 as provided by section 104 of the Government Corporation
12 Control Act, as amended, as may be necessary in carrying
13 out the programs set forth in the Budget for the fiscal year
14 ending June 30, 1950, for each such corporation, except as
15 hereinafter provided:

16 EXPORT-IMPORT BANK OF WASHINGTON

17 Not to exceed \$950,000 (to be on an accrual basis) of
18 the funds of the Export-Import Bank of Washington shall
19 be available during the current fiscal year for all admin-
20 istrative expenses of the bank, including not to exceed
21 \$300 for periodicals, \$300 for newspapers, and \$500
22 for maps; health-service program as authorized by law
23 (5 U. S. C. 150), and not to exceed \$5,000 for tem-
24 porary services, as authorized by section 15 of the Act
25 of August 2, 1946 (5 U. S. C. 55a): *Provided, That*

1 necessary expenses (including special services performed
2 on a contract or fee basis, but not including other per-
3 sonal services) in connection with the acquisition, opera-
4 tion, maintenance, improvement, or disposition of any real
5 or personal property belonging to the bank or in which it
6 has an interest, including expenses of collections of pledged
7 collateral, or the investigation or appraisal of any property
8 in respect to which an application for a loan has been made,
9 shall be considered as nonadministrative expenses for the
10 purposes hereof.

11 RECONSTRUCTION FINANCE CORPORATION

12 Not to exceed ~~\$25,400,000~~ \$26,150,000 (to be
13 computed on an accrual basis) of the funds of the
14 Reconstruction Finance Corporation shall be available
15 during the current fiscal year for its administrative
16 expenses and the administrative expenses of the Fed-
17 eral National Mortgage Association; not to exceed \$1,500
18 for periodicals and newspapers; purchase (not to exceed
19 ~~thirty~~ fifty-five, for replacement only) and hire of passen-
20 ger motor vehicles; health service program as authorized by
21 law (5 U. S. C. 150) ; use of the services and facilities of the
22 Federal Reserve banks: *Provided*, That as used herein the
23 term "administrative expenses" shall be construed to include
24 all salaries and wages, services performed on a contract or
25 fee basis, and travel and other expenses, including the pur-

1 chases of equipment and supplies, of administrative offices:
2 *Provided further*, That the limiting amount heretofore stated
3 for administrative expenses shall be increased by an amount
4 which does not exceed the aggregate cost of salaries, wages,
5 travel, and other expenses of persons employed outside the
6 continental United States; the expenses of services performed
7 on a contract or fee basis in connection with termination of
8 contracts or in the performance of legal services; and all
9 administrative expenses reimbursable from other Govern-
10 ment agencies: *Provided further*, That the distribution of
11 administrative expenses to the accounts of the Corporation
12 shall be made in accordance with generally recognized
13 accounting principles and practices: *Provided further*, That,
14 except as otherwise provided hereinafter, none of the funds
15 of the Reconstruction Finance Corporation and its subsidiary
16 shall be used for the custody, maintenance, or disposal of any
17 surplus property within the continental limits of the United
18 States, its Territories or possessions, except such property as
19 may be owned by and held for disposal by the Reconstruc-
20 tion Finance Corporation or its subsidiary; but, notwith-
21 standing any other provision of law, the Reconstruction
22 Finance Corporation may waive reimbursement from War
23 Assets Administration for the administrative property trans-
24 ferred prior to July 1, 1946, and for expenses incurred
25 prior thereto in the custody, maintenance, or disposal of any

1 surplus property: *Provided further*, That no part of the funds
2 of the Reconstruction Finance Corporation or of its subsid-
3 iary shall be used to make any purchase or for personal
4 services or to enter into any contract for the use or benefit of
5 any other agency of the Government unless such agency shall
6 have authority in law and appropriations available to make
7 reimbursement for such purchase, personal services, or con-
8 tract.

9 SEC. 302. This title may be cited as the "Export-Import
10 Bank and Reconstructon Finance Corporation Appropriation
11 Act, 1950".

12 TITLE IV—GENERAL PROVISIONS

13 SEC. 401. No part of any appropriation contained in
14 this Act, or of the funds available for expenditure by any cor-
15 poration included in this Act, shall be used to pay the salary
16 or wages of any person who engages in a strike against the
17 Government of the United States or who is a member of an
18 organization of Government employees that asserts the right
19 to strike against the Government of the United States, or who
20 advocates, or is a member of an organization that advocates,
21 the overthrow of the Government of the United States by force
22 or violence: *Provided*, That for the purposes hereof an affi-
23 davit shall be considered prima facie evidence that the person
24 making the affidavit has not contrary to the provisions of this
25 section engaged in a strike against the Government of the

1 United States, is not a member of an organization of Govern-
2 ment employees that asserts the right to strike against the
3 Government of the United States, or that such person does
4 not advocate, and is not a member of an organization that
5 advocates, the overthrow of the Government of the United
6 States by force or violence: *Provided further*, That any
7 person who engages in a strike against the Government of
8 the United States or who is a member of an organization
9 of Government employees that asserts the right to strike
10 against the Government of the United States, or who advo-
11 cates, or who is a member of an organization that advocates,
12 the overthrow of the Government of the United States by
13 force or violence and accepts employment the salary or
14 wages for which are paid from any appropriation or fund
15 contained in this Act shall be guilty of a felony and, upon
16 conviction, shall be fined not more than \$1,000 or imprisoned
17 for not more than one year, or both: *Provided further*, That
18 the above penalty clause shall be in addition to, and not in
19 substitution for, any other provisions of existing law.

20 SEC. 402. This Act may be cited as the "Treasury
21 and Post Office Departments Appropriation Act, 1950".

Passed the House of Representatives March 3, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1ST SESSION

H. R. 3083

[Report No. 310]

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

MARCH 4 (legislative day, FEBRUARY 21), 1949
Read twice and referred to the Committee on
Appropriations

APRIL 29 (legislative day, APRIL 11), 1949
Reported with amendments

H. R. 3083

IN THE SENATE OF THE UNITED STATES

APRIL 29 (legislative day, APRIL 11), 1949
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FERGUSON (for himself and Mr. BRIDGES) to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1950, and for other purposes, viz: At the end of the bill insert the following:

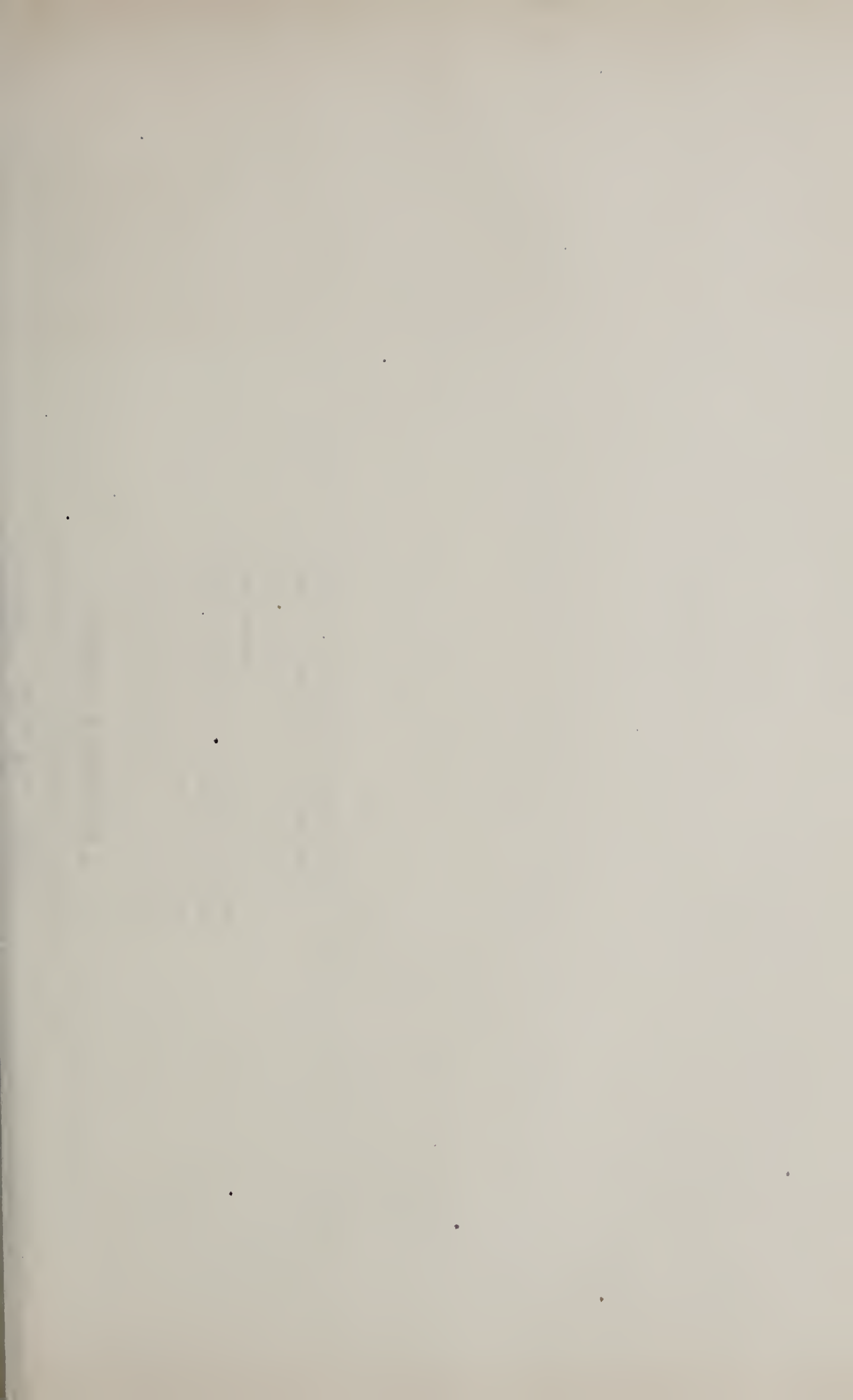
- 1 SEC. 402. (a) The Secretary of the Treasury, with
2 respect to appropriations made in title I of this Act, and
3 the Postmaster General, with respect to appropriations made
4 in title II of this Act, are authorized and directed, with the
5 approval of the Director of the Bureau of the Budget, to
6 make such reductions in the amounts to be expended from
7 the appropriations made in each such title as will in the
8 aggregate equal at least 5 per centum of the total amounts
9 so appropriated therein. The Secretary of the Treasury and

1 the Postmaster General shall each certify the reduction in
2 each appropriation account to the Secretary of the Treasury
3 and to the Committees on Appropriations of the Senate and
4 the House of Representatives. The amounts so certified shall
5 not be expended but shall be impounded and returned to
6 the Treasury.

7 (b) Such reduction shall be made in a manner cal-
8 culated to bring about the greatest economy in expenditure
9 consistent with the efficiency of the service.

10 (c) No item of appropriation contained in either of
11 such titles shall be reduced more than 20 per centum.

12 (d) A statement of each reduction hereunder, including
13 the amount thereof, shall be included in the annual budget
14 for the fiscal year 1951.



AMENDMENT

Intended to be proposed by Mr. Ferguson (for himself and Mr. Bridges) to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1950, and for other purposes.

APRIL 29 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

organization Act of 1946 in the section dealing with the Committee on the Judiciary it is provided that to that committee shall be referred all proposed legislation * * * relating to the following subjects: 7. Protection of trade and commerce against unlawful restraints and monopolies.

Therefore, Mr. President, I am offering an amendment to S. 640 in the nature of a substitute. I intend to propose that all matter after the enacting clause of S. 640 be stricken out and that there be inserted in lieu thereof the substance of my bill. In that way, the Judiciary Committee can properly explore this field, for my bill also includes the subject matter of S. 640.

I think the Senate will share my satisfaction that the Circuit Court of Appeals for the Seventh Circuit affirmed the conviction obtained in the A & P case. It is a landmark in the struggle against monopoly.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS

Mr. FERGUSON (for himself and Mr. BRIDGES) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

"Sec. 6. (a) The Secretary of the Army, with respect to appropriations made in this act, is authorized and directed, with the approval of the Director of the Bureau of the Budget, to make such reductions in the amounts to be expended from the appropriations contained in this act as will in the aggregate equal at least 5 percent of the total amounts so appropriated therein. The Secretary of the Army shall certify the reduction in each appropriation account to the Secretary of the Treasury and to the Committees on Appropriations of the Senate and the House of Representatives. The amounts so certified shall not be expended but shall be impounded and returned to the Treasury.

"(b) Such reduction shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficiency of the service.

"(c) No item of appropriation contained in this act shall be reduced more than 20 percent.

"(d) A statement of each reduction hereunder, including the amount thereof, shall be included in the annual budget for the fiscal year 1951."

Mr. FERGUSON (for himself and Mr. BRIDGES) also submitted an amendment intended to be proposed by them, jointly, to House bill 3734, making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. FERGUSON (for himself and Mr. BRIDGES) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June

30, 1950, and for other purposes, the following amendment, namely:

"Sec. 309. (a) The Secretary of Agriculture, with respect to appropriations made in title I of this act, is authorized and directed, with the approval of the Director of the Bureau of the Budget, to make such reductions in the amounts to be expended from the appropriations made in such title as will in the aggregate equal at least 5 percent of the total amounts so appropriated therein. The Secretary of Agriculture shall certify the reduction in each appropriation account to the Secretary of the Treasury and to the Committees on Appropriations of the Senate and the House of Representatives. The amounts so certified shall not be expended but shall be impounded and returned to the Treasury.

"(b) Such reduction shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficiency of the service.

"(c) No item of appropriation contained in title I shall be reduced more than 20 percent.

"(d) A statement of each reduction hereunder, including the amount thereof, shall be included in the annual budget for the fiscal year 1951."

Mr. FERGUSON (for himself and Mr. BRIDGES) also submitted an amendment intended to be proposed by them, jointly, to House bill 3997, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDRESS BY SENATOR LODGE AT FIRST ANNIVERSARY CELEBRATION OF DECLARATION OF THE STATE OF ISRAEL

[Mr. IVES asked and obtained leave to have printed in the RECORD the address delivered by Senator LODGE at the first anniversary celebration of the declaration of the State of Israel, New York City, May 4, 1949, together with the introduction by Rabbi Abba Hillel Silver, which appear in the Appendix.]

JEFFERSON-JACKSON DAY ADDRESS BY SENATOR KEFAUVER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD the address delivered by him on the occasion of the Jefferson-Jackson Day dinner at Tacoma, Wash., on April 30, 1949, which appears in the Appendix.]

MOTHER'S DAY ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Mother's Day address delivered by him at St. Gerard's Congregation in Milwaukee, Wis., and a brief statement on the same theme by Rev. C. E. B. Ward, executive secretary of the League for the American Home, which appear in the Appendix.]

PROPOSED COLUMBIA VALLEY ADMINISTRATION—STATEMENT BY SENATOR TAYLOR

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a compilation of facts and figures prepared by him relative to the proposed Columbia Valley Administration, which appears in the Appendix.]

HYDROELECTRIC DEVELOPMENTS ON THE COLUMBIA AND SNAKE RIVERS—TESTIMONY OF SENATOR MAGNUSON

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD testimony given by him before the Senate Committee

on Appropriations, on the subject of hydroelectric developments of the Columbia and Snake Rivers, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—EDITORIAL COMMENT BY NEW YORK TIMES

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "Federal Aid to Education," published in the New York Times of May 4, 1949, and an editorial entitled "A Victory for Education," published in the New York Times of May 7, 1949, which appear in the Appendix.]

VICTORY ON EDUCATION—EDITORIAL FROM THE WASHINGTON POST

[Mr. GREEN asked and obtained leave to have printed in the RECORD an editorial entitled "Victory on Education," published in the Washington Post of May 9, 1949, which appears in the Appendix.]

DISTORTED SCHOOL PICTURE—EDITORIAL FROM THE WALL STREET JOURNAL

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Distorted School Picture," published in the Wall Street Journal of May 9, 1949, which appears in the Appendix.]

TREASURY AND POST OFFICE DEPARTMENTS, ETC., APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The bill is before the Senate and open to amendment, but not until the committee amendments shall have been disposed of.

Mr. WHERRY. Mr. President, I should like to ask the majority leader a question. Is it the intention, after the Treasury-Post Office bill shall have been disposed of, to take up the motion of the distinguished Senator from Rhode Island [Mr. GREEN] relative to the reconsideration of the Labor and Federal Securities bill today, or is it the intention of the leadership to resume consideration of the District tax bill?

The VICE PRESIDENT. The Chair will say that under the order entered yesterday, automatically the District tax bill will come before the Senate immediately upon completion of consideration of the Treasury and Post Office appropriation bill.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I understand the procedure, but I am asking the majority leader if it is the intention, after the appropriation bill has been disposed of, to take up the motion of the distinguished Senator from Rhode Island. I understood from the distinguished chairman of the Committee on Appropriations [Mr. McKELLAR] that that motion would be taken up today.

Mr. McKELLAR. Mr. President, I said that I hoped we could take it up today.

Mr. WHERRY. Is that the intention now? If so, I think all Senators should be advised of it.

Mr. MCKELLAR. I am still hoping.

Mr. MAYBANK. Mr. President, I do not intend to speak at length. I merely wish to invite the attention of Senators to the facts which will be found in the report of the committee on the Treasury-Post Office appropriation bill. A copy of the report is on the desk of each Senator.

The bill recommends appropriations of \$3,113,068,503 for the Treasury and Post Office Departments. This sum is an increase of \$40,250,600 over the House allowance. The increase represents \$17,576,000 additional funds for the Treasury Department, the bulk of which is for the Customs Bureau, \$300,000; Bureau of Internal Revenue, \$12,268,000; Bureau of Engraving and Printing, \$1,000,000; and the Coast Guard, \$3,708,000. For the Post Office Department there is an increase of \$22,674,600 over the House allowance, which is necessary to move the mail volume, provide essential supplies and equipment, and for general administration and supervision of the postal service.

The total amount recommended is under the 1950 estimates by \$63,198,246, which figure represents \$51,410,046 for the Treasury Department and \$11,788,200 for the Post Office Department.

The amount carried in the bill exceeds the 1949 appropriations by approximately \$460,000,000, which amount represents about \$249,000,000 for the Treasury Department and \$211,000,000 for the Post Office Department. In making this comparison, however, it must be remembered that pending deficiencies for 1949 total about \$65,000,000 for the Treasury Department and over \$252,000,000 for the Post Office Department. The postal pay raise alone provided by Public Law 900, passed in the last Congress, requires postal appropriations to be increased approximately \$220,000,000.

In providing appropriations for the Treasury and Post Office Departments it may be said that a greater portion of the money is for operating expenses. For the Treasury Department the appropriations provide funds for the various bureaus, offices, and divisions engaged in servicing the debt, collecting the revenues, and paying the financial obligations of the Government. The only exception to this is the appropriation for the purchase of strategic and critical materials under the Stock Piling Act of July 23, 1946.

In conclusion, I may state that the main additions made by the committee to the appropriations provided in the House bill have been for stockpiling strategic materials under the laws of Congress, and for placing in the field several thousand additional Internal Revenue collectors. The number of collectors would be increased by about 7,000. The additions are all in the field. It is estimated that for every dollar that may be paid for additional revenue agents, the Government will benefit to the extent of \$100 by reason of collections from those who have not paid their proper taxes, or from those who have made errors.

I ask unanimous consent to have printed at this point in my remarks a statement from the report of the committee, beginning on page 2, and ending on page 7.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The bill provides a total of \$3,113,068,503.93 for regular annual appropriations of the Treasury and Post Office Departments, and \$27,100,000 in authorizations for expenditures of corporate funds of the Export-Import Bank of Washington, and the Reconstruction Finance Corporation. Of the \$3,113,068,503.93 proposed appropriations, the sum of \$1,045,184,403.93 is recommended for the Treasury Department and \$2,067,884,100 for the Post Office Department. Of the \$27,100,000 proposed authorizations for use of corporate funds, the sum of \$950,000 is for the Export-Import Bank of Washington, and the sum of \$26,150,000 for the Reconstruction Finance Corporation.

TREASURY DEPARTMENT

The committee has proposed a total appropriation of \$1,045,184,403.93 to meet the 1950 fund requirements of the various bureaus within the Treasury Department. This sum is an increase of \$17,576,000 over the House allowance of \$1,027,608,403.93 and is under the budget estimate by \$51,410,046.07.

Due consideration was given to the justifications filed and the testimony presented by the Secretary, the former Under Secretary and officials of the bureaus on their needs for appropriation increases over the House allowances, especially in those bureaus and offices where evidence indicated possible improvement of efficiency in the collection of revenues, management studies, and policy problems. The Department is primarily a service organization and has continuous dealings with the public in general. It is estimated that over \$45,000,000,000 will be collected in fiscal year 1950. Of this amount over \$43,000,000,000 or about 95 percent of the total Federal revenue, is represented by internal-revenue collections. Therefore, increased efficiency in operations and improved service to the public are of paramount importance.

With these thoughts in mind the committee has recommended the strengthening of pertinent activities and therefore feels that the funds provided will enable the Department to more effectively accomplish the desired objectives.

BUREAU OF ACCOUNTS

The committee has denied the request for an additional \$90,000 over the House allowance for the Bureau of Accounts. It is their considered judgment that no additional funds are required for new positions in order to actively participate with the Bureau of the Budget and the General Accounting Office in the joint program for improving the Government's accounting and reporting system. The committee feels, however, that any additional personnel required in this important undertaking may be secured through more effective utilization of existing methods and procedures staffs now in the fiscal service of the Department and to that end agrees with the action taken by the House.

BUREAU OF CUSTOMS

The committee has approved an appropriation of \$35,300,000 for operating expenses of the Bureau of Customs in the fiscal year 1950. The amount allowed is only \$300,000 under the budget estimate of \$35,600,000 and should provide sufficient operating funds to maintain a maximum personnel strength, including the filling of the most important existing vacant positions and, above all, reducing to a minimum the backlog of work presently

existing in certain field offices of collectors of customs as well as appraisers of merchandise. The Commissioner of Customs should exert every effort to reduce this reported huge backlog of unliquidated entries in order to expedite the refunds to importers of excess collections.

BUREAU OF INTERNAL REVENUE

For the fiscal year 1950 the committee recommends an appropriation of \$232,768,000, the budget estimate. This amount exceeds the House allowance by \$12,268,000. The committee is of the opinion that the 7,019 additional field positions requested be allowed by the committee, 5,787 of which are enforcement officer positions, to enable the Bureau to more effectively ferret out tax evaders which, in turn, will lead to the collection of millions of dollars additional revenue. Testimony indicates that present front-line enforcement officers averaged per person additional revenue of \$52,708 for 1946, \$73,805 for 1947, \$89,271 for 1948, and for the first 7 months of fiscal year 1949 \$50,066. It is estimated that by the fiscal year 1951 the additional enforcement personnel provided will collect at least \$425,000,000 additional revenue annually.

COAST GUARD

The committee has approved the appropriation estimates submitted for pay and allowances, \$77,445,000, and general expenses, \$39,988,000, of the Coast Guard. This proposal is considered justified in order that the full military strength on board July 1, 1949, may be continued in the fiscal year 1950, and also provide the necessary operating expenses for carrying out the ocean weather-station program authorized by Public Law 738 of the Eightieth Congress, second session.

As regards the item for civilian employees, the committee has denied the request for \$100,000 over the amount allowed by the House. The committee feels, however, that the reduction in the estimate should not be applied against the program for improving the accounting and supply operations, which was recommended in a recent survey report of a management group to be carried out.

The committee has also denied the request for \$2,000,000 for acquisition, construction, and improvements over the allowance recommended by the House. It is the committee's belief that some of the items included in the estimate may be deferred.

The committee also disapproved the sum of \$3,500,000 to initiate a training program for reserve personnel of the Coast Guard. This item was submitted in supplemental estimates, Senate Document 25.

BUREAU OF FEDERAL SUPPLY

The committee has disapproved the Department's request for additional funds over the amounts carried in the bill as passed the House for the appropriation "Salaries and expenses" and the "General supply fund." It was the committee's opinion that no additional funds over the House allowances should be provided for continued operation of the various programs of the Bureau; also, that the \$479,803,093 increase provided by the House for the general supply fund should be sufficient for the fiscal year 1950.

The committee approves the action taken by the House as respects the appropriation and contract authorization amounts provided for stock piling of strategic and critical materials. The bill provides \$525,000,000, of which \$275,000,000 is new cash and \$250,000,000 is cash for liquidation of obligations plus not to exceed \$250,000,000 for new contract authority. Subsequent to the committee hearing on this item, the second deficiency bill has been approved by the House and is presently before the Senate committee for consideration. This deficiency bill provides for strategic and critical materials an ad-

ditional \$40,000,000 in cash appropriation and not to exceed \$270,000,000 contract authority.

REPLACEMENT OF TYPEWRITERS

The committee believes that the time has come for the gradual replacement of typewriters which have been in use six or more years, a practice which has long been followed in private enterprise and found to be the most economical. The committee has, therefore, modified the House language to effectuate this end by providing for purchase for each agency in the executive branch of the Government, to the extent that appropriated funds of such agency are otherwise available therefor, of new typewriters in lieu of an equivalent number of machines owned by said agency 8 or more years of age, and for the delivery of the overage machines to the Bureau of Federal Supply for disposition at public sale or exchange. It is the view of the committee that like procedure should be recommended at the appropriate time for the fiscal year 1951, except at that time the age should be dropped from 8 years to 7 years, and that in the following fiscal year the age limit should be dropped to 6 years and maintained at that level thereafter, with exception in the case of typewriters which, because of lack of constant use, are in better than average condition for typewriters of the permissible replacement age.

POST OFFICE DEPARTMENT

The committee proposes a total appropriation of \$2,067,884,100 for 1950 operating expenses of the Post Office Department. This amount is \$22,674,600 over the House allowance of \$2,045,209,500, and is under the 1950 budget estimate by \$11,788,200. As compared to the 1949 total regular annual appropriation of \$1,857,304,825 the amount recommended exceeds such total by \$210,579,275.

The Department requested restoration of \$29,754,600 of the \$34,462,800 House reduction and, as stated above, the committee recommends approval of \$22,674,600. This additional amount is considered necessary to properly administer and supervise the postal service, to move the mail volume, and to provide essential supplies and equipment. The specific amounts proposed in the appropriation categories for 1950 will be on approximately the same level as the 1949 estimated expenditures.

The committee recognizes that, as a practical matter, the Postmaster General must supply postal service promptly and commensurate with demands of the general public. Rather than restore the entire reduction made by the House in various appropriation categories, the committee feels that it is preferable to permit the apportionment of certain appropriations on a deficiency basis when, in the opinion of the Postmaster General, with the approval of the Bureau of the Budget, this is necessary for such reasons as the volume of mail to be carried or conditions beyond the control of the Post Office Department. The committee joins the House committee in its confidence that this authority will not be abused, and expects that the Appropriations Committees will be currently advised by the Bureau of the Budget of any apportionments made on such deficiency basis.

Postal deficit

The 1950 postal deficit is estimated to be \$403,672,300. This figure is based on estimated revenues of \$1,676,000,000 and obligations of \$2,079,672,300. The postal deficit is mainly in the costs for handling second-, third-, and fourth-class mails. If the pending bill, H. R. 2945, which provides certain increases in postal rates and services, is enacted, approximately \$250,000,000 in additional revenue per annum will be received and thereby reduce the 1950 estimated deficit of about \$403,000,000 to \$153,000,000. This latter figure is about comparable to the costs

for penalty and frank mail, air-mail subsidies, and nonpostal services, including custodial services in public buildings. Much of the deficit in fourth-class mail is attributed to the huge volume of parcel post which is the result of favorable existing postal rates as compared with increased express rates. The pending postal-rate bill will tend to correct this wide disparity of parcel post and express rates.

For the first 9 months of fiscal year 1949 the revenues were about \$1,176,000,000 as against \$1,071,000,000 for the same period in the previous fiscal year. For the same comparative periods obligations in 1949 were \$1,584,000,000 as against \$1,297,000,000. Percentage-wise, revenues increased 9.80 percent and obligations increased 22.13 percent in the current year over the prior year.

It should be stated that revenues for the 9-month period in fiscal year 1949 include rate increases provided by Public Law 900 which became effective January 1, 1949. Since these rates became effective, the revenues have increased 15.3 percent as compared to an increase of 7.2 percent in the first 6-month period of the fiscal year. Of the 15.3 percent increase in revenues since January 1, 1949, approximately 9 percent is due to the increased rates. The difference between 9 percent and the 15.3 percent is attributed to the increased mail volume.

The 22.13 percent increase in obligations includes approximately 16 percent increase in salaries authorized by Public Law 900. These increased salaries, of course, have been in effect during the entire 9-month period.

The deficit in 1949 estimated to be \$526,000,000 is necessarily greater than the estimate, about \$403,000,000 for 1950, due to the fact that salary increases will have been in effect for 12 months during 1949 whereas the postal rate increases will have been in effect only 6 months of the same year.

Air-mail subsidies

The present bill contains \$87,061,000, the estimate, for payment of costs of carrying air mail and the subsidy to commercial air lines. This figure is \$36,806,000 under the 1949 appropriations plus pending deficiencies which total \$123,867,000. The increase in 1949 over 1950 estimate is due to the Civil Aeronautics Board's adjustment of rates to carriers which were made effective after the 1950 estimate was prepared.

The committee again calls the attention of Congress to the incongruity of charging the Post Office Department appropriation, under the guise of cost of carrying the mails by air, huge sums of money running into millions of dollars which, in truth, have no relation whatever to the costs of air-mail transportation but, in fact, are simply subsidies to the recipient air lines. The committee believes that the Civil Aeronautics Authority Act of 1938, as amended, should be further amended so as to provide for the payment of this subsidy under its present designation and, thus, to relieve the Post Office Department from being required to carry the item as a part of its appropriation. Such change in the 1938 law will also serve to let the Congress and the people know the nature and extent of this subsidy.

Mr. MAYBANK. Mr. President, I have nothing further to say at this time. I suggest that the Senate proceed with the committee amendments.

The VICE PRESIDENT. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was under the heading "Title I—Treasury Department—Office of the Secretary—Salaries," on page 2, line 4, after the word "Columbia", to strike out "\$700,000" and insert "\$800,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of Administrative Services—Salaries," on page 4, line 5, after the word "thereof", to strike out "\$1,100,000" and insert "\$1,200,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs—Salaries and expenses," on page 9, line 18, after the word "exceed", to strike out \$1,000,000 and insert "\$1,040,000"; and in line 21, after "(19 U. S. C. 1525)", to strike out "\$35,000,000" and insert "\$35,300,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue—Salaries and expenses," on page 11, line 4, after the word "including", to strike out "\$198,400,000 for personal services, of which not to exceed \$17,509,000 shall be available for personal services in the District of Columbia" and insert "personal services in the District of Columbia, and elsewhere"; and in line 23, after "(26 U. S. C. 3792)", to strike out "\$220,500,000" and insert "\$232,768,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$17,509,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Narcotics—Salaries and expenses," on page 13, line 3, after the word "justice", to strike out "\$1,560,000" and insert "\$1,610,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Engraving and Printing—Salaries and expenses," on page 14, line 1, after the word "investigations", to strike out "\$15,000,000" and insert "\$16,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Secret Service Division—Salaries and expenses," on page 15, line 5, after the word "criminals", to strike out "\$1,900,000" and insert "\$1,950,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Federal Supply—Salaries and expenses," on page 18, line 18, after the numerals "1949", to strike out "notwithstanding any other provision of law,"; and in line 21, after the word "receipts", to insert "except where reimbursement to an appropriation or fund is authorized by law."

The amendment was agreed to.

The next amendment was, on page 19, line 20, after the word "hand", to insert a colon and the following proviso: "*Provided, however*, That the Director of the Bureau of Federal Supply may purchase and deliver to any agency in the executive branch of the Government, within appropriated funds otherwise available to such agency, new typewriters in lieu of an equivalent number of typewriters owned by such agency which are eight or more years of age, such over-age machines to be delivered to the Bureau of Federal Supply for application as part payment for new machines or disposal by public sale, whichever is to the best interests of the Government."

Mr. MAYBANK. Mr. President, I send to the desk an amendment to the committee amendment, substituting other language for the proviso in the committee amendment. This amendment has the approval of the subcommittee, and also has the approval of the ranking minority member, the senior Senator from Oregon [Mr. CORDON], who joins me in offering this amendment to the committee amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the language of the proviso in the committee amendment on page 19, beginning in line 20, it is proposed to insert the following: "Provided, however, in accordance with regulations prescribed by the Director, Bureau of Federal Supply, any agency in the executive branch of the Government, within appropriated funds otherwise available to such agency, may purchase new typewriters in lieu of an equivalent number of typewriters owned by such agency which are eight or more years of age, such overage machines to be applied as part payment for new machines or disposed of by public sale, whichever is to the best interests of the Government."

The PRESIDING OFFICER (Mr. O'CONNOR in the chair). The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 21, line 1, after the word "hereunder", to insert "except as to typewriters eight or more years of age which shall be sold at public sale or exchange as hereinbefore provided."

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard—Pay and allowances," on page 25, line 17, after "(14 U. S. C. 147)", to strike out "\$74,500,000" and insert "\$77,445,000."

The amendment was agreed to.

The next amendment was, under the subhead "General expenses," on page 27, line 14, after "(14, U. S. C. 50c)," to strike out "\$39,225,000" and insert "\$39,988,000."

The amendment was agreed to.

The next amendment was, under the head "Title II—Post Office Department—Departmental service—Salaries," on page 29, line 11, after the word "law," to strike out "\$435,000" and insert "\$437,100."

The amendment was agreed to.

The next amendment was, on page 29, line 13, after "Office of Budget and Administrative Planning," to strike out "\$125,000" and insert "\$132,300."

The amendment was agreed to.

The next amendment was, on page 29, line 15, after "Office of the First Assistant Postmaster General", to strike out "\$1,290,000" and insert "\$1,297,000."

The amendment was agreed to.

The next amendment was, on page 29, line 17, after "Office of the Second Assistant Postmaster General", to strike out "\$1,250,000" and insert "\$1,261,000."

The amendment was agreed to.

The next amendment was, on page 29, line 23, after "Office of the Third Assistant Postmaster General", to strike out "\$1,485,000" and insert "\$1,519,000."

The amendment was agreed to.

The next amendment was, on page 29, line 25, after "Office of the Fourth Assistant Postmaster General", to strike out "\$900,000" and insert "\$927,000."

The amendment was agreed to.

The next amendment was, on page 30, line 3, after "(5, U. S. C. 55a)", to strike out "\$300,000" and insert "\$305,900."

The amendment was agreed to.

The next amendment was, on page 30, line 4, after "Office of the Chief Inspector", to strike out "\$435,000" and insert "\$446,900."

The amendment was agreed to.

The next amendment was, on page 30, line 5, after "Office of the Purchasing Agent", to strike out "\$95,000" and insert "\$101,400."

The amendment was agreed to.

The next amendment was, on page 30, line 6, after "Bureau of Accounts", to strike out "\$550,000" and insert "\$562,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses," on page 30, line 14, after the word "Offices", to strike out "\$2,700,000" and insert "\$2,865,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Chief Inspector—Inspectors," on page 31, line 11, after the word "inspectors", to strike out "\$4,750,000" and insert "\$4,810,000."

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous expenses, Inspection Service," on page 31, line 17, after the word "Investigations", to strike out "\$950,000" and insert "\$958,000."

The amendment was agreed to.

The next amendment was, under the subhead "Clerks, Inspection Service," on page 31, line 20, after the word "service," to strike out "\$1,325,000" and insert "\$1,333,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General—Clerks, first- and second-class offices," on page 33, line 14, after the word "law", to strike out "\$625,000,000" and insert "\$633,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Clerks, third-class offices," on page 33, line 23, after the word "offices", to strike out "\$33,000,000" and insert "\$33,750,000."

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous items, first- and second-class offices," on page 34, line 5, after the word "for", to strike out "\$4,500,000" and insert "\$4,843,000."

The amendment was agreed to.

The next amendment was, under the subhead "Village Delivery Service," on

page 34, line 10, after the word "delivery", to strike out "\$375,000" and insert "\$383,000."

The amendment was agreed to.

The next amendment was, under the subhead "Carfare and bicycle allowance," on page 34, line 19, after the word "bicycles", to strike out "\$3,250,000" and insert "\$3,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "City delivery carriers," on page 34, line 23, after the word "service", to strike out "\$392,000,000" and insert "\$394,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General—Star route service," on page 35, line 13, after the word "routes", to strike out "\$30,000,000" and insert "\$33,475,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, Railway Mail Service," on page 36, line 7, after the word "service," to strike out "\$128,500,000" and insert "\$129,500,000."

The amendment was agreed to.

The next amendment was, in the subhead on page 36, line 8, after the word "Travel", to strike out "Allowance."

The amendment was agreed to.

The next amendment was, on page 36, line 11, after the word "employees", to insert "of the railway mail service"; and in the same line, after the amendment just above stated, to strike out "\$8,000,000" and insert "\$8,150,000."

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous expenses, Railway Mail Service," on page 36, line 15, after the word "for", to strike out "\$600,000" and insert "\$737,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General—Supplies and equipment," on page 38, line 24, after the word "expenses", to strike out "\$11,000,000" and insert "\$11,550,000."

The amendment was agreed to.

The next amendment was, on page 39, line 7, after the word "added", to insert a colon and the following additional proviso: "Provided further, That for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States)."

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, do I correctly understand that the amendment on page 39 has been agreed to?

The PRESIDING OFFICER. It has.

Mr. MAYBANK. Mr. President, I ask that the vote by which the amendment was agreed to be reconsidered.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to is reconsidered.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the amendment be considered after the other committee amendments have been disposed of, be-

cause I understand that several Senators desire to have something to say about it.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily passed over. The next amendment of the committee will be stated.

The next amendment was, under the subhead "Rent, fuel, and utility services," on page 40, line 4, after the word "offices," to strike out "\$16,800,000" and insert "\$17,580,000."

The amendment was agreed to.

The next amendment was, under the subhead "Vehicle service," on page 41, line 7, after the word "service," to strike out "\$51,000,000" and insert "\$53,418,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries, custodial service," on page 41, line 20, after the word "service," to strike out "\$52,300,000" and insert "\$53,600,000."

The amendment was agreed to.

The next amendment was, under the subhead "Supplies, public buildings," on page 41, line 25, after the word "Department," to strike out "\$8,000,000" and insert "\$8,523,000."

The amendment was agreed to.

The next amendment was, under the subhead "Equipment, public buildings," on page 42, line 19, after the word "Department," to strike out "\$1,125,000" and insert "\$1,250,000."

The amendment was agreed to.

The next amendment was, under the subhead "Post Office Department—General provisions," on page 44, after line 19, to insert a new section, as follows:

Sec. 207. During the fiscal year 1950 the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

The amendment was agreed to.

The next amendment was, on page 45, line 3, to change the section number from "207" to "208."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Government corporations—Reconstruction Finance Corporation," on page 46, line 12, after the word "exceed," to strike out "\$25,400,000" and insert "\$26,150,000"; and in line 19, after the word "exceed," to strike out "thirty" and insert "fifty-five."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, except for the one which has been passed over.

Mr. MAYBANK. Mr. President, I have asked that the so-called cotton-twine amendment be delayed until the other committee amendments have been acted upon. I now ask unanimous consent to have that amendment delayed until the amendments which may be offered on the floor are acted upon.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

THE GOVERNMENT'S FISCAL SITUATION

Mr. MARTIN. Mr. President, last Friday we had the high privilege of hearing an address of great historic significance. It was delivered on this floor by the distinguished senior Senator from the Commonwealth of Virginia [Mr. BYRD]. The address appears in the CONGRESSIONAL RECORD, beginning on page 5943. To my mind, it is so important that it should be "must reading" for every Senator and should be given most thoughtful consideration by every American.

No one in America has a better knowledge of the fiscal affairs of our country than does the able senior Senator from Virginia. He sounded a stern and solemn warning against the grave consequences that must inevitably result from the rapidly increasing cost of Government. The facts and figures, as he presented them, should be viewed with alarm by every American who loves liberty and independence, and who places the future welfare of our Republic above selfishness.

With force and eloquence, supported by scholarly and thorough research, the senior Senator from Virginia pointed out that the new spending programs upon which we are asked to embark, if added to the increased demands by established functions and services, would force us to face three alternatives in the future: reduce expenditures, increase taxes, or engage in deficit financing.

Mr. President, I submit to my colleagues in the Senate that we have reached the time of decision. We must choose the course we are to take. We must decide whether we are to put a brake on spending, whether we are to increase the tax burden upon the wage earner and upon productive industry or whether we are to go deeper into debt by spending borrowed money.

The safety and the security of America are in danger unless we choose a course which will restore sanity, stability, and integrity to the fiscal policies of our Nation. Any other course means national bankruptcy.

The distinguished Senator from Virginia has warned that without American solvency, our constitutional freedoms would disappear. Then no power on earth would have the strength to prevent the spread of communism over the face of the world. American freedom would be swallowed up by State socialism, perhaps never to be regained.

These are not fanciful predictions of national disaster which may overtake us in the distant future. They are real. They hang over our heads at this very moment. They are founded upon accurate statistical information that has been made available to every Member of this body and to the American people by the painstaking labor so ably performed by the distinguished Senator from Virginia.

Mr. President, with all the emphasis at my command, I should like to endorse his warning that State socialism has destroyed the free enterprise system in every part of the world in which it has gained a foothold. State socialism is the

only system to which a bankrupt nation can turn when excessive taxation robs the people of initiative and incentive. It has been tried repeatedly. It has failed every time. It will continue to fail.

I should like to recall the warnings sounded by the distinguished Senator from Georgia [Mr. GEORGE], who is an outstanding expert on taxation. He has stated repeatedly that it would be dangerous to the national economy to increase taxes at this time.

I should like to recall to my colleagues also that the distinguished senior Senator from Ohio [Mr. TART] and the distinguished junior Senator from Nebraska [Mr. WHERRY] have both, from time to time, urged decreased Federal expenditures.

Mr. President, it seems to me that the time has come when every Senator must look carefully at the over-all picture of expenditures and must aid in the reduction of the cost of the Federal Government. That means that each of us must put aside his pet project; that we must stand firm against spending pressure from every source, and must withhold approval of every new spending proposal until such time as we are sure we can afford it.

The Hoover Commission has submitted plans for the reorganization of the Federal Government at an estimated saving of \$3,000,000,000. Why is this not done? Is there any reason why these economy proposals should not be made effective without delay? There seems to be no valid reason for further delay, especially in view of yesterday's message from the White House. We should proceed at once to enact legislation authorizing the President to submit his reorganization plans to the Congress in accordance with the recommendations of the Hoover Commission.

The postponement of all public projects not immediately necessary, reduced appropriations for the armed services and European recovery, and the elimination of the vast expenditures proposed for Federal aid to education, socialized health programs, and socialized Government housing can give us an opportunity to keep America solvent, to lower taxes, and to pay a reasonable sum on the national debt.

It seems to me that only two items in the budget are sacred. One is the interest on the public debt. The other is the care of our disabled veterans and the dependents of those who made the supreme sacrifice in our country's cause.

Every other item in the cost of Government can be subjected to the most careful scrutiny and cut to the bone. They are not sacred.

Again I wish to commend the distinguished Senator from Virginia on his timely and most impressive address. I feel it should be read by every American.

(At this point Mr. McCARRAN addressed the Senate on American policy toward Spain, and debate ensued, all of which, on request of Mr. MAYBANK, and by unanimous consent, was ordered to be transposed to follow the consideration of the appropriation bill.)

J. EDGAR HOOVER

Mr. McCARTHY. Mr. President, I should like to take a few minutes to speak of a man for whom all of us have profound respect and admiration.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MAYBANK. I should like to ask the Senator from Wisconsin how long he intends to speak.

Mr. McCARTHY. I should say 7 or 8 minutes.

Mr. President, that man is John Edgar Hoover. Today, May 10, 1949, Mr. Hoover completes 25 years of distinguished service as Director of the Federal Bureau of Investigation. Today is the twenty-fifth anniversary of the day he took over as Director. In this quarter century J. Edgar Hoover, because of his completely objective devotion to his job, has become the great nonpartisan figure in Washington. He is respected and praised by Republicans and Democrats alike.

Mr. Hoover, as we well know, is one of those rare men who, every generation or so, appear in our public life and create something new, an important addition to the machinery under which a democratic government operates. The Federal Bureau of Investigation is the great work which Mr. Hoover has created. So often the men who live down through the years in our history are great men because of the excellent job they have done following in the steps of another, following the principles set down by a man before them.

J. Edgar Hoover, on the other hand, has blazed a new path in the field of law enforcement and the protection of our country's security. Out of his own mind, his own energy, his own individual evaluation of the importance of protecting the type of government and life we have, he has created the Federal Bureau of Investigation. The fact that over these 25 years Mr. Hoover has seen the product of his mind come to life and accomplish so much must be a great personal satisfaction to him. And I think that this organization, the Federal Bureau of Investigation, which he alone has created, is the greatest personal tribute which can be paid to him.

Mr. Hoover has spent his entire adult life in the service of this Nation. Born and reared in the District of Columbia, he became associated with the Department of Justice in 1917, and 2 years later, in 1919, was made a special assistant to the Attorney General. In 1921 he was appointed an Assistant Director of the then Bureau of Investigation, and on May 10, 1924, following the reorganization of the United States Department of Justice, Mr. Hoover was appointed Director of the Federal Bureau of Investigation by Hon. Harlan F. Stone, then Attorney General of the United States and subsequently Chief Justice of the United States. That was 25 years ago today. It was a new job, one that no one before him had tackled.

As Director of the FBI, Mr. Hoover was determined to make his organization representative of the best principles of American citizenship. He set high

standards, moral, educational, and physical, for his personnel and encouraged the development of alert and faithful coworkers. He instilled the feeling of public responsibility among FBI employees, always emphasizing that he and his associates were servants of the people, responsive to the wishes of the citizens. The FBI has become, in the truest sense of the word, a "we" organization, each individual performing his or her share in carrying out the task at hand.

The FBI, under Mr. Hoover's directorship, became a living, energetic organization, adaptable to the conditions and needs of the time. Less than a month after assuming the directorship Mr. Hoover established the FBI Identification Division, which was to become eventually the world's largest repository of fingerprints. Criminals are mobile and extremely adept at changing names and even physical characteristics. Fingerprints represented the one means of infallible identification. Mr. Hoover realized that law enforcement, in order to keep pace with the criminal, must have a central clearinghouse where fingerprints of arrested criminals could be used to identify the criminal repeater, regardless of whether the crime had been committed on the west coast, the east coast, in the North, or in the South. Today the FBI Identification Division has more than 111,000,000 sets of fingerprints. These fingerprints, I would like to emphasize, are rendering invaluable humanitarian services to the American people, in addition to helping identify evildoers. For example, these prints help identify amnesia victims, victims otherwise unidentifiable of disasters such as fires, flood, and airplane crashes. The vision of Mr. Hoover, a quarter of a century ago, in laying the foundation for this incomparable identification system has yielded untold services to this Nation.

A few years later, in 1932, the FBI Laboratory was established. This Laboratory, staffed by highly trained technicians and equipped with the latest available scientific instruments, has applied science to crime-detection work. Evidence previously overlooked as irrelevant or immaterial, now, under the enlightening glow of science, may be the clue to solving the case. A smudge of dirt, a scrap of paper, or a cigarette butt, in the hands of an FBI technician, can become effective and truthful witnesses against the criminal. The FBI Laboratory has performed virtual miracles of accomplishment in strengthening the arm of the law-enforcement officer.

The foresight of Mr. Hoover in reorganizing the FBI on efficient and practical administrative lines soon paid excellent dividends. For America, and law enforcement in general, were soon to face two stupendous challenges: First, the giant wave of lawlessness and criminality which swept the Nation in the early 1930's, when John Dillinger, "Baby Face" Nelson, Alvin Karpis, and their gangs, roamed far and wide in a virtual spree of bank robbery, kidnaping, and murder; and, second, the great war which was to engulf the country a few years later. The FBI, primarily because

of the thorough advance planning of Mr. Hoover, was able to master the tasks allotted to it. The special agents of the FBI, in cooperation with local law-enforcement officers, attacked the vicious hoodlums of the 1930's and swept them from American life. The remnants, which remained intact after the initial blows, retreated into their shadowy underworld haunts only to find themselves relentlessly pursued and eventually brought to justice.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. BRIDGES. I wish to express just a word of commendation of the Senator from Wisconsin for taking occasion, on the twenty-fifth anniversary of Mr. Hoover's service as head of the FBI, to pay him this tribute. I think it is seldom in the history of a country that individual men who come to high position combine the great qualities of leadership which Mr. Hoover has. I think he has character, integrity, courage, vision, and ability. With those five great qualities of leadership, he has given this country, in the FBI, an institution of which all our people, both young and old, are most appreciative. The people of the country generally, regardless of politics or of any prejudice they may have, have confidence in the FBI. That confidence is inspired in large degree by the man who heads the FBI, for all our people have the utmost confidence in his leadership.

So, Mr. President, I think the Senator from Wisconsin is performing a real public service today in officially calling attention to the twenty-fifth anniversary of Mr. Hoover's taking over the leadership of that great institution, the FBI. I know that most Members of this body appreciate highly what the Senator from Wisconsin is doing.

Mr. McCARTHY. I thank the Senator from New Hampshire.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. BALDWIN. I wish to say to the Senator from Wisconsin that it seems to me that all Members of the Senate are most appreciative of the action of the Senator from Wisconsin in paying tribute on the floor of the Senate to J. Edgar Hoover on the twenty-fifth anniversary of his service as head of the FBI. In this country we are very jealous of personal liberty and personal freedom; yet all of us recognize that there must be an internal defense of some kind which will protect us against crime and at the same time against enemies from abroad. I do not believe there is or ever has been anyone in the United States who could have done a better job in building up the type of service the FBI furnishes to the people of the United States, than the one which the man who now heads that organization has done. I think all of us as Americans, and all of us who hold office in Government, owe him a great debt of gratitude for the ability, courage, farsightedness, and tact he has displayed during these 25 years in building up what is one of the greatest organizations for the defense of our country we have ever had.

Mr. McCARTHY. I thank the Senator from Connecticut very much.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. IVES. Mr. President, I thank the able Senator from Wisconsin for yielding to me at this particular time, for I should like to join my distinguished colleagues in paying tribute to the great career and outstanding record of J. Edgar Hoover.

Perhaps Members of the Senate noted the introduction earlier today by the distinguished senior Senator from Utah [Mr. THOMAS] of a bill, of which I am privileged to be a cosponsor and which has for its purpose the reducing of juvenile delinquency, in cooperation with the J. Edgar Hoover Foundation. It seems to me that the tributes we are paying today to this great American and the particular recognition in the form of the proposed legislation to which I have just referred, which is aimed at the correction of one of the most serious blots on our society—I refer to juvenile delinquency—are altogether fitting at this particular time. Certainly I know of no more appropriate tribute which could be paid to J. Edgar Hoover than the establishment of a foundation of the kind I indicate, with which the work to be done under the bill in question would be coordinated.

All of us should recognize that juvenile delinquency is something which cannot be ignored by the Federal Government itself. To be sure, the States and municipalities are performing a tremendous service in this critical field, and their service is constantly improving. However, reports which come from a number of the States, from persons who are active in this field of endeavor, show that effort on the part of the Federal Government, through which can be established a standard or pattern to be followed or utilized by the States or localities themselves in their own efforts in this field, is most desirable. It is with this thought in mind that the bill has been introduced on this particular day. Both as a tribute to J. Edgar Hoover and to aid in meeting the great need I have cited, the enactment of this bill is most appropriate and desirable.

So I am very glad at this time to join my distinguished colleagues in paying deserved tribute to J. Edgar Hoover and to point to the significance of the legislation to which I have referred. As a result of the efforts which would be made through the enactment of this kind of legislation, a great stride toward the cure of juvenile delinquency would be taken in this country. That in itself would be the finest tribute which could be paid to our distinguished fellow-American, J. Edgar Hoover.

I thank the Senator from Wisconsin very much for yielding to me.

Mr. McCARTHY. I thank the Senator from New York for his statement.

I may say, Mr. President, in connection with the remarks made by my three distinguished colleagues, that I think one of the reasons why J. Edgar Hoover has been so eminently successful in creating the type of organization he has created is that he is very careful in the selection

of the young men who work with him. One of the things which all Senators and all Members of the House of Representatives have learned, and I know they feel very happy about it, is that no Member of Congress pays off a political debt by getting one of his friends into the Federal Bureau of Investigation. Every man who serves the country in that agency is very carefully screened; and the men who are accepted for service in it are selected solely on the basis of merit. No matter where we may go, if we meet a young man who is in the FBI, we know we are in contact with a young man of the highest type.

Mr. BRIDGES. Mr. President, will the Senator yield to me?

Mr. McCARTHY. I yield.

Mr. BRIDGES. I think the particular point the Senator from Wisconsin has just made indicates one of the strongest features of the FBI, namely, that J. Edgar Hoover has never let any considerations except merit and real qualifications enter into the selection of the personnel of the FBI. I agree with the Senator from Wisconsin that no matter where we may go in the United States or its Territories, wherever we may be where the FBI has representatives, we find that they are young men of the very highest type. There may be some who are not; but I have yet to meet a man affiliated with the FBI whom I am not proud to see affiliated with that great service.

Mr. McCARTHY. Again I thank the Senator very much.

Mr. President, I started to say, before I yielded to my three distinguished colleagues, that the FBI's work abroad in safeguarding the Nation's internal security is equally brilliant when compared with the work it has done at home. As we know, when World War II started, the FBI had a tremendous task at hand.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. MAYBANK. I wonder whether the Senator from Wisconsin can tell us how long it will be before he will conclude his remarks.

Mr. McCARTHY. I realize that a short time ago I informed the Senator that I would take only 7 or 8 minutes. I would have taken that long without the interruptions which have come from various of our distinguished colleagues. Of course I have welcomed those interruptions.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. McCARTHY. I am glad to yield.

Mr. MAYBANK. I asked the question of the Senator because several other Senators have asked me when we are likely to consider an amendment to the Treasury-Post Office appropriation bill on which they are most desirous of speaking; and the particular Senators I have in mind have to go to Pennsylvania at 4 o'clock. I make this inquiry solely in their behalf.

Of course, I am happy to have the Senator from Wisconsin present to the Senate the matter he has been discussing at length, but on the other hand I should like very much to be able to inform Senators who have made such requests of

me when they will be able to participate in the discussion of the amendment to the Treasury-Post Office appropriation bill which they wish to discuss.

Mr. McCARTHY. Mr. President, of course, I welcome interruptions for the twenty-fifth anniversary of the establishment of the FBI under J. Edgar Hoover gives us a most welcome and fitting opportunity to pay a tribute to one of the most outstanding men the United States has ever produced.

Mr. President, at the beginning of World War II, special agents again, of course, working with local authorities, quickly and effectively immobilized, within hours after the Pearl Harbor attack thousands of enemy aliens. If the enemy thought he possessed within these alien groups saboteurs who could effectively work within the bosom of America, he was proved to be badly mistaken. The FBI under Mr. Hoover's brilliant leadership, carefully investigated the thousands of allegations of sabotage and espionage and efficiently handled the manifold duties entrusted to him.

Mr. President, I call especial attention to this. Not a single act of enemy-directed sabotage was committed within the United States. That statement, in itself, is a tribute to the men of the FBI.

Mr. Hoover realized that if law and order were to become a reality in the United States all law enforcement must benefit from the advancements of science and the development of new investigative techniques. His experience, as an attorney in the Department of Justice and as Director of the FBI, convinced him that law enforcement was indivisible—an attack on peace officers anywhere was an attack on peace officers everywhere. Accordingly, Mr. Hoover has encouraged cooperation among law-enforcement agencies, national, State, and local. The services of the FBI Identification Division and the FBI laboratory are available, free of charge, to law-enforcement agencies throughout the country. Moreover, in furtherance of this aim, Mr. Hoover in 1935 founded the FBI National Academy. The academy offers instruction in the latest techniques of crime detection to selected police officers from all parts of the country. These men, after graduation return to their home departments and conduct training programs, thereby giving brother officers the benefit of their learning.

The people of the United States today have unlimited confidence in Mr. Hoover. That, I think is perhaps the most profound tribute which can be paid to a man who has served over 30 years in American public life. This confidence has been reflected, year after year, by the Congress of the United States, which has entrusted more and more responsibility to the FBI. At present, the FBI has investigative jurisdiction over more than 120 different Federal violations.

The FBI during these years has developed in the crucible of democracy. At the same time in other countries, in Italy, Germany, and Japan, as we so tragically remember, law enforcement flourished as the tool of a ruthless dictator. Civil rights were violated and personal freedoms disregarded. But the FBI, as the

servant of the people, conducted many thousands of criminal and security investigations with scrupulous regard for the rights of the citizens. This is indeed the American way.

The FBI, by acts of Congress and Presidential directives, is charged with the responsibility of protecting the internal security of the country. A vast world-wide ideological conflict between democracy and totalitarian communism is now raging, as we all know. Loss of this struggle would mean the extinction of America, the America we know and cherish. The people of America have unlimited faith that Mr. Hoover and the FBI will do their part in protecting our liberties. That faith is based on the solid rock of Mr. Hoover's 25 years of magnificent achievement as Director of the Federal Bureau of Investigation.

Today, on the twenty-fifth anniversary of Mr. Hoover's service, the American people salute a great man, a truly great man, and a truly great American. He has left an indelible stamp on American law enforcement, a stamp of public service, tireless devotion to duty and unimpeachable loyalty to the principles of American justice. He has been a leader, a creator, a great contributor to our way of life. The Nation justly salutes Mr. Hoover for a job well done, and for establishing an organization that will always be essential and important to America.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2440) to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising.

TREASURY AND POST OFFICE DEPARTMENTS, ETC., APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

Mr. MAYBANK. Mr. President, I ask to have the pending amendment stated.

The PRESIDING OFFICER. The Chair may state that the unfinished business is the Treasury-Post Office Departments appropriation bill, 1950, House bill 3083. There is no amendment pending. The bill is open to amendment.

Mr. MAYBANK. Consideration of the committee amendment on page 39 was deferred until the completion of consideration of other amendments in the bill. If I may propound a parliamentary inquiry, is that the pending question?

The PRESIDING OFFICER. The amendment was passed over temporarily. If the Senator wishes to call it up, he may do so.

Mr. MAYBANK. I wish to call up that amendment at this time.

The PRESIDING OFFICER. The clerk will restate the amendment.

The LEGISLATIVE CLERK. On page 39, in line 7, after the word "added," it is proposed to insert the following proviso: "Provided further, That for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States)."

Mr. MAYBANK. I want to say I expect to discuss the amendment at some length. However, I understand the distinguished Senator from Pennsylvania has an engagement, and, if he desires me to do so, I shall yield to him without prejudice to my rights to the floor.

The PRESIDING OFFICER. Is there objection to such an arrangement? The Chair hears none.

Mr. MARTIN. Mr. President, if I may do so, I request the Senator from South Carolina to yield to the Senator from Connecticut in order that he may lead the discussion on our side. I shall probably not take any part in the discussion personally.

Mr. MAYBANK. I shall be glad to yield to the Senator from Connecticut, provided I do not thereby lose my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BALDWIN. Mr. President, if the Senator from South Carolina desires to be recognized and to discuss the amendment, I may say that is what I intended to do. I had intended to discuss this very amendment. Like the Senator from South Carolina. I have been sitting here since a quarter after 12, as he has, hoping the matter would be reached. The Senator now has the floor. If he desires to discuss the amendment, all well and good. But when I can get the floor, I should like to discuss it, too; or if the Senator desires to yield the floor to me for the purpose of discussing it now, I shall be glad to do so.

Mr. MAYBANK. I should like to make a statement about the amendment: First, for many years the language in the amendment was contained in appropriation bills for the Treasury and Post Office Departments. During the war, in 1943, by reason of the necessity for many cotton mills shifting away from twine to comply with certain regulations under OPA and other regulations, the amendment was omitted.

Since that time there have been many changes in the jute industry in this country, and there have been many changes in the type of wrapping cord used. It is an extremely technical amendment. I shall not discuss the technicalities at length. I ask to have included in the Record as a part of my remarks a letter from the Bibb Manufacturing Co., of Macon, Ga., one of the largest cotton mills of the country, showing that they could produce cotton twine that would be more satisfactory to the Post Office Department perhaps than jute. I ask that the letter be inserted in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BIBB MANUFACTURING Co.,
Macon, Ga., May 7, 1949.

Mr. ROBERT C. JACKSON,
Washington Representative, National
Cotton Council of America, Wash-
ington, D. C.

DEAR Mr. JACKSON: You asked me over the telephone yesterday if we could give you any information with regard to the relative cost on a yardage basis of the jute twine and the cotton twine that the Post Office Department normally buys.

It so happens that I have been in communication with Mr. Harrison Parkman, purchasing agent of the Post Office Department, in connection with this same matter, and I have just written him a letter in this connection, and am glad to attach hereto a copy, which I think will throw considerable light on this particular matter.

Mr. Parkman very kindly gave me a sample of the jute twine that the Post Office Department is regularly using, and I had it thoroughly and completely analyzed in one of the finest twine laboratories in this country. According to our analysis, this twine yielded 939 yards to the pound, with a standard break of 22.09 pounds and a knot break of 14.75 pounds.

I believe most jute twines will break at the knot approximately 60 to 65 percent of the standard break, and since it is hopelessly impossible to tie up a package of any kind without a knot, I think it is only fair to figure on the knot break, as no twine is stronger than its weakest link.

Jute twine, according to Mr. Parkman, in March was selling at 37.95 cents per pound, less 2 percent, and on this basis, jute twine, as represented by their sample, yielded 24.74 yards per 1 cent of cost.

We could make a special post-office twine from cotton that would break 14.75 pounds and would yield 1,008 yards to the pound, but our price today would be 43½ cents per pound, less 2 percent. On this basis, we would give the Post Office 23.17 yards per 1 cent of cost in cotton twine, so you will immediately see that there is very little to choose, strictly from a cost standpoint under prevailing conditions.

I might add that cotton is much easier for operators to handle as there are no splinters to stick in the hands of the operators, and I am sure that if we can get cotton twine in the general use by the Post Office Department that it will be a matter of only a short time before all of the twine used by the various post offices will be of cotton origin.

I might also point out that some of the biggest users of twine in this country have recently switched from jute twine to cotton twine, even though they realize the cost of cotton on today's market is slightly higher than jute, and in one particular case where one concern made this switch, they are so happy about the change that they have complained to us, "Why didn't you change us over much sooner."

If we can supply any additional information, I certainly hope you will feel free to call on me.

Yours very truly,
G. P. BARNWELL,
General Sales Manager.

Mr. MAYBANK. Mr. President, I also ask unanimous consent that a letter from the National Cotton Council of America, signed by Robert C. Jackson, its Washington representative, be printed as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COTTON COUNCIL
OF AMERICA,
Washington, D. C., May 9, 1949.

Hon. BURNET R. MAYBANK,
Chairman, Subcommittee on Treasury
and Post Office, Senate Committee
on Appropriations, Washington, D. C.

DEAR SENATOR: With further reference to the proposal that the Post Office Department purchase a portion of its twine requirements in a twine made from fibers other than jute, you will find attached a copy of a letter received today from Bibb Manufacturing Co., Macon, Ga. As you know, this is one of the largest spinning and weaving establishments in this country and we believe that their views on the matter will be of interest to you.

Very truly yours,
ROBERT C. JACKSON,
Washington Representative.

Mr. MAYBANK. Mr. President, I know that since 1943, because of the war, there have been no bids to the Post Office Department on cotton twine. I know that in the years to come cotton twine will be used by the Post Office Department, not to the extent of 25 percent, but by a larger percentage, because it is of better quality, is more adaptable, and it is an American product. It is not like jute, simply a grass cut in a foreign country, worth 1 cent a pound, and imported into this country.

I do not intend to speak at length, because I stated to the committee, and I repeat on the floor, that I hope this amendment will be retained. If it is not retained, I look to the Postmaster General and to those in charge of the Post Office Department to do what is right by the American people, the farmers of the country, and all who pay taxes to help operate the Post Office Department. All I ask is that, with reference to every bid, the Post Office Department notify the representatives of the cotton industry in Washington and elsewhere, so as to give them an opportunity to sell cotton twine to the Post Office Department. I am not suggesting that the Post Office Department would do otherwise, but I want the record to show that the United States Senate expects the Post Office Department to leave no stone unturned to permit the cotton mills of the Nation to have an opportunity to bid, and that when the bids are submitted the Senate expects the Department to take into consideration the highly technical differences between cotton twine and jute twine, including tensile strength, breaking strength, length of staple, and matters of that kind of which only those who are technically informed have knowledge.

I feel certain, Mr. President, that the Post Office Department has been fair. From the correspondence I have had I know the Department will be fair in considering bids. I regret that for the past 9 years the amendment was omitted from the bill. That was for the reason that cotton was needed to clothe our soldiers and to make parachute webbing and other things necessary to the successful termination of the war.

When jute is brought in from India, financed by British interests, and dumped in this country at almost no cost comparable with cotton, it is time some consideration be given to our own people.

I shall conclude my remarks with the statement that the cotton interests want no advantage over anyone. They want the Post Office Department to consider the price involved. Representatives of the Post Office Department testified before the committee that if this amendment were placed in the bill it might help to reduce the price of jute which England sells here. As a member of the Committee on Post Office and Civil Service I found that we now pay for that commodity the same price we paid 2 or 3 or 4 or 5 years ago. I offered the amendment because the Post Office Department said it would probably force down the price of jute. I am not interested in the price of jute or in any effort to force it down. All I want is a square deal for the American cotton mills, the American farmers, and the American workers, those who belong to the A. F. of L. as well as those who belong to the CIO, and those who belong to no union at all, but who are employed in all the sections of the country in which cotton mills are located.

I hope the Post Office Department will give due consideration to the tensile strength of cotton, and not bid on a yardage basis. I know as well as do representative of the jute interests that when we could not get jute in this country, hundreds of thousands of bales of a certain grass called sisal were sent to the United States from Mexico. In order to obtain it for shipment, all that had to be done was to cut it and bale it. It could almost be cut with a lawn-mower.

Mr. President, that is all I have to say. I know many Senators are interested in cotton, and want the cotton producers and interests to have a square deal. If the cotton manufacturers bid low, they are awarded the business; and if the jute manufacturers bid low, they are awarded the business. But I want the Post Office Department to consider the technical angles to which I have called attention, including the tensile strength and ease in tying packages.

I now yield to my colleague from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. JOHNSTON of South Carolina. Mr. President, during the war—

Mr. BALDWIN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BALDWIN. I understood that under the rules of the Senate a Senator could yield only for a question. I did not understand that a Senator could attain the floor and parcel it out.

The PRESIDING OFFICER. The Chair recognized the Senator from South Carolina.

Mr. BALDWIN. Very well, Mr. President.

Mr. JOHNSTON of South Carolina. Mr. President, during the war it was true that we had no difficulty in the United States in disposing of all the cotton grown in America, because the war required most of the production. Immediately after the war there was of necessity, a backlog, so to speak, for cotton goods. One could scarcely buy a sheet, a pillow case, a shirt, or a towel at the close of the war, because so much cotton had been used in carrying on the war. Immediately thereafter manufacturers went into making those necessities of life, sheets, pillow cases, towels and they can now be purchased without difficulty, indeed so many of these articles have been made that today we have a large surplus on hand. In the cotton industry it will be found that the mills are operating on an average of only 3 days a week, due to the fact that they have caught up with the demand for that kind of goods. If the Congress does not take some action to protect our home industries, I fear that they are not only going to be running 3 days a week, but a great many mills will be forced, even this summer to shut down entirely.

This little amendment is not so far-reaching, but we must bear in mind that every little bit helps. The amendment is nothing more than what was carried in the appropriation bills from 1942 back. Since 1942 the amendment has been left out of the appropriation bills.

It is my opinion, and it is the opinion of the Post Office Department, that this amendment will help out in the purchase of twine for the Post Office Department, because the officials of the Department feel that if they have this competition, it will bring about probably a reduced price for jute.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Delaware.

Mr. WILLIAMS. As the law now reads, when the Post Office Department asks for bids on twine, it also asks for bids on both jute and cotton. Is that not true?

Mr. JOHNSTON of South Carolina. As the law is today, I think they can ask for bids on both, and I think they will do it, even if this amendment is adopted.

Mr. WILLIAMS. Is it not a fact that they do that now, that they are asking for bids on both jute and cotton every time they ask for bids?

Mr. JOHNSTON of South Carolina. If they are put on the same price basis, that excludes cotton, because cotton will naturally be higher than jute. But if this amendment is in the law, the officials are given the right to set a price for each.

Mr. MAYBANK. Mr. President, will my colleague yield?

Mr. JOHNSTON of South Carolina. I yield to my colleague, the senior Senator from South Carolina.

Mr. MAYBANK. I may say that this is a highly technical issue which cannot be satisfactorily debated and settled on the Senate floor. I realize that my colleague knows more about cotton mills than any other Member of the Senate;

he worked in them, and he knows about cotton, as I do. It is the tensile strength at the place where the knot is tied that counts. Of course, jute comes from India, a country controlled until recently by England, and jute was brought here in British ships.

As the Senator from Delaware says, jute is cheaper, but not when we consider the tensile strength and other factors. I intend to hold extensive hearings on this particular point when the opportunity presents itself.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILLIAMS. I merely wish to point out that what is proposed under the amendment is not competitive bidding. Those interested are seeking authority to bring about not competitive bidding, but a subsidy for cotton at the expense of the Post Office Department. Today there is competitive bidding, but if this amendment shall be agreed to, it will mean that 25 percent of the purchases would have to be made by the Department not under competitive bidding, but from cotton regardless of the price. Can the Senator refer me to anyone in the Post Office Department who has recommended the purchase of cotton in this connection, and what will be the additional cost involved?

Mr. JOHNSTON of South Carolina. The representatives of the Post Office Department who appeared before the committee said they would like to have this amendment put into the appropriation bill. Does that answer the question?

Mr. WILLIAMS. It would answer it if the Senator would cite the page in the RECORD where I could find that.

Mr. SALTONSTALL. Mr. President, I can answer the question, if the Senator from South Carolina will yield to me.

Mr. JOHNSTON of South Carolina. I am glad to yield.

Mr. SALTONSTALL. It is on page 134 of the "side slips" of the committee. There is a very brief paragraph about it on that page, as well as on page 137.

Mr. JOHNSTON of South Carolina. Mr. President, that is true; it is to be found on page 137, I say in answer to the question of the Senator from Delaware. Would the Senator like to have that inserted in the RECORD?

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. I ask that what appears on page 37, beginning with the words "During the 7 months ending February 28," and through the end of page 138, be inserted in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

1. During the 7 months ending February 28, 1949, the consumption of cotton totaled 4,848,239 running bales, while for the same period in 1948 the total amounted to 5,431,140 running bales, according to reports of the Bureau of the Census.

2. The same reports show that cotton-consuming spindles in operation on the last working day of February 1949 totaled 20,-

758,000, and on the last working day of February 1948, totaled 21,485,000.

3. According to the Bureau of Labor Statistics, United States Department of Labor, wage earners in the cotton-textile industry dropped from 529,400 in March 1948, to 494,000 in January 1949. This reduction would be much greater if it were not for the fact that many mills have reduced their operations by operating only 3 to 4 days a week while maintaining the same number of shifts.

PURCHASE OF COTTON TWINE

Mr. BUCKLEY. We bought cotton twine up to the 25-percent requirements up to 1941, but you could not get any more. There was only one mill, Mr. Chairman, that was making the twine for us, at that time. The other mills were not equipped to turn the twine out.

Senator MAYBANK. The only thing asked, as I see it, is that we put back into the appropriation bill the old regulation we had before the WPB controlled production in the mills and told them what to make. Now, can you buy on a yardage basis rather than by the pound, because a pound of jute is worth about 4 or 5 cents?

Mr. BUCKLEY. We buy all of our twines through the purchasing agent, and Mr. Parkman can give you all information on that.

Senator MAYBANK. I am not looking for too much information, because I can understand what you are up against, but I wanted to get your thought as to whether or not we should put this back in the Appropriation Act.

Mr. BUCKLEY. It was not any hardship on us before.

Senator HAYDEN. How much difference did it make in money?

Mr. BUCKLEY. I think that it should be back in there, and give us some competition against jute twine.

EFFECT ON PRICE OF JUTE

Senator HAYDEN. What I wanted to know is, when you did have that provision in the law, what were the differences in cost between cotton and jute?

Mr. BUCKLEY. The cotton was more expensive than jute, but the injection of cotton twine into our usage had the tendency to keep the jute twine price down.

Senator MAYBANK. Competition kept jute down, and now they can charge what they want. Has jute gone up materially?

Mr. BUCKLEY. Yes; and you can understand the reason for that, because of the shortage of supply.

Senator HAYDEN. That is the next thing I was going to ask. You have been told that the jute supply throughout the world is very much less than that.

Senator JOHNSTON. You feel the competition would have a good effect, that is the main thing.

Senator HAYDEN. What about that?

Mr. BUCKLEY. It would keep the price of jute down, and give the cotton industry a chance to get in on the market. It did before.

Senator MAYBANK. And today the jute would be financed by the ECA, or by the RFC, or somebody; would it not?

Mr. BUCKLEY. The company from which we buy our jute is here in America.

Senator MAYBANK. But they import the raw jute in bales, and then they make the twine and sell it to you?

Mr. BUCKLEY. Yes; that is right.

Senator MAYBANK. I am not against any American concern for making it—I did not mean it that way—but if we could put a 25-percent limitation there for cotton, I am delighted and pleased to hear you say that you believe that would bring down the price of jute.

Mr. BUCKLEY. I think the competition would bring the price of jute down and also keep the price of cotton twine down.

Senator MAYBANK. Thank you very much.

Mr. JOHNSTON of South Carolina. Mr. President, that bears out the statement I made a few months ago. It shows why we are very anxious to get this little amendment into the bill, to provide for and care for American industry.

Mr. MAYBANK. Mr. President, will my colleague yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. And we are particularly anxious that the Post Office Department judge the article on its merits, not on its price. Sometimes what costs a little bit more is of a great deal more value.

Mr. JOHNSTON of South Carolina. I am glad the senior Senator from South Carolina has brought that to my attention. I have worked in the mills. I have worked in the carding room and the spinning room, where the threads are tied, and I believe I know something about the industry. With 10 years' experience in a cotton mill, I know that the little thread made from cotton is many times stronger than one made from jute, and a smaller thread can be used in the Department with the same results following the use of a larger thread made from jute.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. Does the Senator realize that this year the Post Office Department is going to spend, if my memory serves me correctly—and if I am not correct I trust I will be corrected—\$1,315,000 on wrapping threads for Post Office packages?

Mr. BALDWIN. Mr. President, would the Senators on the other side of the Chamber be kind enough to talk loud enough so we on this side can hear them?

Mr. MAYBANK. I asked the Senator from South Carolina if he realized that this year the Post Office Department intended, under the budget and under the appropriations bill to spend \$1,300,000-plus on twine, whether it be cotton, jute, or some other fiber? The Post Office Department expects to spend quite a lot of money this year for that purpose.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. SALTONSTALL. Is it not true that while the Department is going to spend that amount of money for twine, if the amendment is left in the bill it will result in the cost being \$170,000 more than it would be if the amendment were stricken out?

Mr. JOHNSTON of South Carolina. The Senator is correct provided the same yardage is purchased. But I call the attention of the Senator from Massachusetts to the fact that not as many yards will be needed for wrapping purposes if cotton twine is used, because sometimes it is necessary to double jute twine, but it is not necessary to double cotton twine.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. Yes.

Mr. MAYBANK. The Senator from Massachusetts and I sat in the subcommittee together hearing testimony on this subject, and I call his attention to the fact that I have placed in the RECORD a letter from a bed manufacturing company, and which the Senator from Massachusetts probably has not yet seen. I have not shown it to anyone because I received it only yesterday. The letter contains technical information regarding the strength and yardage of the different kinds of twine. I should appreciate it very much if the Senator would read the letter in the CONGRESSIONAL RECORD tomorrow. The letter contains approval of the amendment.

I also received a letter from the National Cotton Council which sets forth the wishes of the council. When the Senator and I heard the testimony in the committee, frankly there had been no bids received from cotton manufacturers since 1943 because of the situation the junior Senator from South Carolina has spoken of. I wish the Senator would read the letters. What I want to see, and I am certain my colleague wants to see, is that cotton twine shall receive equal treatment on the basis of its value, and not on the basis of its dollar cost, or, let us say, its penny cost.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BALDWIN. If, as the Senator from South Carolina says, less yardage is needed if cotton twine is used than if jute twine is used, is it not true then that cotton would be in fair competition with jute for the particular needs for which the twine is required? Is it not true that the Post Office Department, if it desired cotton twine, could provide for the purchase of so many yards of cotton twine and for the purchase of so many yards of jute twine, and ask for bids on that basis?

Mr. MAYBANK. Mr. President, will my colleague yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. The Senator from Connecticut is correct. As I have said, I have received a letter from a bed manufacturing company—

Mr. BALDWIN. Mr. President, I have not completed my question.

Mr. MAYBANK.. I am sorry I interrupted the Senator.

Mr. BALDWIN. Would not that result in a perfectly fair competition as between cotton and jute? Will the Senator answer that question?

Mr. MAYBANK. I would never ask for anything except fair competition. That is all the National Cotton Council is asking for. I do not know whether it is a good thing to provide that 25 percent of the purchase must be of cotton. As the Senator well knows, what we want the Post Office Department to do—and, very frankly, I have no secrets from the Senator from Connecticut, and certainly not from the senior Senator from Mas-

sachusetts, who sat in the subcommittee with me—what we want the Post Office Department to do is to go back to the practices of the days before 1943, when cotton twine was eliminated because of the uses required of cotton elsewhere, and give cotton twine a chance to come back into use in the Department. Certainly the Senator from Connecticut and the Senator from Massachusetts, of all Members of the United States Senate, would never oppose the cotton industry, which has meant so much, and now means so much, and will in the future mean so much more to the States of Massachusetts and Connecticut. I have always believed that New England mills have done great good to our country. I want to see the mills in Connecticut and in Massachusetts and elsewhere in New England do a good business, just as we are trying to have the mills in our section of the country do good business. I should like to see the mills in Providence, in Fall River, and in other New England cities do a good business.

Mr. BALDWIN. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BALDWIN. I ask the Senator from South Carolina if he does not believe he is overdoing himself in his plea for the cotton mills of New England. I think we can plead for the cotton mills of New England as well as he can. I thank him for his sympathetic interest in our cotton mills. But what we are pleading for is the jute mills of New England, or of the Northeast. Is the Senator correct when he says that he wants a perfectly fair, open, competitive deal in this matter? If that be so is it fair in the bids to require that 25 percent of the purchases must be of cotton? Does that create a situation in which there is fair competition?

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. The testimony given before the committee showed that the Post Office Department believed that the price of jute had increased so much that a proviso should be put in the bill which would require contracts to be let through bids which should tend to lower the cost. I think the Senator from Massachusetts will agree with me that the Post Office Department said that if the proviso were in the bill it would possibly result in lowering the competitive price of jute. That was stated to the committee. I do not vouch for it, however. I can only vouch for the fact that the bed-manufacturing company's letter is absolutely correct, because I know something about cotton. As my colleague has said, tensile strength, yardage, and other factors should be considered by the Department.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BALDWIN. On the question of tensile strength I should like to read a statement from the record of the hearings. My good friend from South Caro-

lina said he would like to go back to the early days of the 1940's.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. I may say that I was in the cotton business in Charleston, S. C., and I did a great deal of business with Connecticut mills, as well as mills in other New England States. I have gone through those mills, and know much about them.

Mr. BALDWIN. My distinguished friend the Senator from South Carolina said he would like to go back to the situation as it was in the early 1940's, and if the junior Senator from South Carolina will yield, I should like to read from the hearings on the Treasury-Post Office Department bill in 1940. That was before the war.

Mr. MAYBANK. Mr. President, will my colleague yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MAYBANK. I wish to correct the statement I made. I said I should like to go back to conditions as they once were, which is provided for by the amendment that is in the bill. I did not suggest that we go back to any such conditions as existed in this country or elsewhere in the dark days in 1940 or 1941.

Mr. BALDWIN. I understand that. The Senator wanted to consider the matter with reference to cotton legislation. I should like to read for the benefit of the RECORD the statement of a purchasing agent which was made when the bill was under consideration at that time. Mr. Parkman answered a question asked him by the Senator from Massachusetts [Mr. LODGE]:

Senator LODGE. And is it not true that for certain purposes cotton is not as good as jute?

Mr. PARKMAN. It all depends on your twine. Going back to 1915, when jute was selling at 12.62 cents a pound, the Department bought 530,000 pounds of cotton twine for experimental purposes at slightly higher prices. The next year a million pounds were purchased. The first year—1915—about 28 percent of the total amount of twine bought was cotton, and the second year—1916—about 59 percent of the total purchase of twine was cotton. I happen to know about this cotton twine because I was postmaster in Kansas during the war. The cotton twine would cut the men's fingers. It was too strong. It had too high tensile strength. At that time jute twine was selling at around 10 cents a pound. The cotton twine was so unsatisfactory that no more was purchased for 16 years, even when, 5 or 6 years later, the cost of jute twine went up to over 27½ cents a pound, although experiments were made with paper twine, which was found to be unsatisfactory. Again in 1932 the Department, due to the depressed condition of cotton, got out a proposal for twine, and advertised for only cotton twine, leaving jute out entirely. The Comptroller General wrote a letter of severe criticism to the Postmaster General at that time on account of limiting competition to one product. The Department rejected those bids, readvertisement was issued for cotton or jute, and, due to lower price, jute was purchased.

Further, Mr. Parkman said:

But if we were limited to cotton twine right now we would have to take any kind of twine at whatever price was offered.

Mr. MAYBANK. The Senator is correct. During the war we had to take it at any price.

Mr. BALDWIN. I am speaking now of the time before the war, in 1940. The Senator will remember that in 1940 we were assured that we would never get into a war.

Mr. MAYBANK. I was not in the Senate at that time, so I gave no such assurance.

Let me ask the Senator a question. The Senator stated that the employees of the Post Office Department cut their hands on cotton twine.

Mr. BALDWIN. That is what the representatives of the postal employees have said, and I believe that they are truthful.

Mr. MAYBANK. I doubt whether anyone would cut his hands with either twine. I have before me samples of both, which I should be glad to have the Senator try. I will demonstrate—

Mr. SALTONSTALL. I invite the attention of Senators to the fact that the senior Senator from South Carolina is one of the strongest men in the Senate. His example is no measure of strength.

Mr. JOHNSTON of South Carolina. Mr. President, I ask the Senator from Massachusetts to take the two different kinds of twine and try them out. He will see that the cotton twine will not cut his fingers. That is especially true as it applies to a man who has been working daily outdoors, or working in the post office, where he has experience almost every minute with handling twine in wrapping packages.

The only reason we are advocating this amendment is to give cotton a little break. When I say "a little break" I do not mean that we want to give cotton any advantage beyond what it deserves. If Senators will only do that, this amendment will be adopted. As the Post Office Department well points out, it would like to see this amendment adopted in order to provide some competition between different kinds of twine. I believe that competition would be good for the taxpayers of America. That is what the representative of the Post Office Department meant when he spoke before the committee. So I hope that cotton will be given an opportunity for a fair trial for 1 year as a wrapping twine in the Post Office Department.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 39, line 7.

Mr. SALTONSTALL. Mr. President, in Massachusetts we have cotton mills, and we also have a jute mill. I hope that this amendment will be stricken from the bill. I say that for this reason: We want fair competition. We want just what the junior Senator from South Carolina wants. But if this amendment remains in the bill, it will mean that 25 percent of all the twine bought must be cotton, and that with respect to that 25 percent, no bids will be received for jute.

I should like to point out that this amendment was first placed in the law in 1940. It was not in the law before 1940. Before that time bids could be received on both cotton and jute, but there was no exclusive provision that 25 percent should be cotton twine. In the

3 years 1941, 1942, and 1943, bids were received on cotton. In 1941 jute cost approximately 14 cents a pound. I am omitting the fractions. Cotton cost 20 cents a pound. In 1942 jute cost 17 cents a pound and cotton cost 32 cents a pound, almost double. In 1943 jute cost 23 cents a pound and cotton cost 40 cents a pound, or approximately double. During the war years jute alone was bought. The amount of twine used was trebled between 1941 and 1945, because of the increase in the volume of mail.

We are told by the post-office officials that jute is a more efficient twine than cotton. I shall not argue that question in detail, because I do not know. We have to take their word for it. If we have fair competition, we want to get the cheaper product. It is not in the record, but it is my recollection that we were told that if this amendment were to prevail, it would cost approximately \$170,000 more than if jute alone were used. We want to receive bids on jute which will be as low as possible. We want to keep expenses as low as can be done.

As I say, in Massachusetts we have cotton mills and we have a substantial jute mill. All we want is fair competition as between the two kinds of twine. I believe that the employees of the Post Office Department as a whole prefer jute to cotton, so I hope the amendment will be defeated.

Mr. MAYBANK. Mr. President, may I ask the Senator a question?

Mr. JOHNSTON of South Carolina. I yield for that purpose, if I may do so without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAYBANK. The Senator from Massachusetts stated that there would be a certain additional cost if this amendment were adopted. As I remember, he gave the figure of \$170,000.

Mr. SALTONSTALL. That is the figure which I remember. I cannot prove it, because that figure is not in the record.

Mr. MAYBANK. I would not ask the Senator to prove it, because any statement he might make would be correct. I make this suggestion to the Senator: One reason we are concerned is that the 90 percent of parity may or may not be continued in farm legislation in the future. I am hopeful that it will be. I expect to vote for 90 percent of parity. I intend to vote against a variable parity being put into effect. So whatever the Post Office Department may have figured on, if figured on the basis of the present price of cotton as compared with the present price of jute. No one knows what the future may hold as to the price of either jute or cotton.

We do not want to cause the taxpayers an additional expense of \$170,000. All we want is a square deal on the basis of the intrinsic value in the fiber, and the value to the Government itself, not on the basis of some post-office employee's opinion based on the fear that he may hurt his hands tying packages. We pay Post Office Department employees pretty well for tying packages.

Mr. SALTONSTALL. I agree with the Senator. All we want is square, open competition. We want to see stricken

from the bill the provision that 25 percent of the amount used shall be exclusively for cotton twine. Then let the best man win.

Mr. BALDWIN. Mr. President, it is the purpose of the junior Senator from Connecticut to address himself to the proviso recommended by the committee, on page 39, beginning in line 7. As the junior Senator from Connecticut understands that provision, it would require the Post Office Department to spend one-fourth of the funds appropriated for the purchase of twine in buying cotton twine, irrespective of its cost.

As the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] has said, it is proposed that 25 percent of this appropriation be spent for cotton twine, with respect to which there will be no competition whatsoever from jute. If my distinguished and amiable friends from South Carolina want a perfectly open and square deal, the thing to do is to strike out the proviso. Then we shall have open and fair competition on the basis of intrinsic value, yardage, price, delivery, or any other factor the Department may wish to include.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. MAYBANK. I am happy to hear the Senator say that all he asks is a fair deal, on the basis of intrinsic value, yardage, tensile strength, and so forth. That is all we ask.

Mr. BALDWIN. What the Senator from Connecticut is saying is that we would get it if we were to strike from the bill the 25 percent proviso.

Mr. MAYBANK. I presume that the Post Office Department pays some attention to what happens in the United States Senate. The Senator from Connecticut and the Senator from Massachusetts have both stated that all they desire is a fair deal. That is all we want. We do not want a decision based upon the statement that cotton twine is going to hurt someone's fingers. What we want is a decision based upon the value of cotton twine as compared with the value of jute, or anything else.

Mr. BALDWIN. Mr. President, this proviso appeals to me as being a rather extraordinary proposal. In its report the committee has advised us that the estimated postal deficit for the present year will amount to \$526,441,972. It is also estimated that for the fiscal year 1950, the postal deficit will be \$403,672,300.

Even though the committee has proposed an increase of \$187,904,675 over the appropriations for 1949, including the amounts carried in the first deficiency bill for 1949, the grand total of \$2,045,209,500 is a reduction of \$34,462,800 below the budget estimate.

In other words, the committee has substantially reduced the appropriation, as compared to the amount recommended in the budget.

We are told that during the calendar year 1949 the Post Office Department handled the largest volume of business in its history; and there appears to be every likelihood that the volume of its activities will continue to increase.

The Postmaster General has the obligation to render proper service, and is authorized to appoint certain employees in whatever numbers may be necessary to move the mail, regardless of the amount of the appropriations. There is, therefore, the ever-present likelihood that the estimated postal deficit of almost \$404,000,000 may turn out to be even larger, and may approach the 1949 estimate of \$526,441,972.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask if it is not true that the Post Office Department itself had nothing to do with the building up of that deficit, but that during recent years the granting of salary increases, without any increases in postal rates, has brought about that condition.

Mr. BALDWIN. I agree with the Senator but it seems to me that we are approaching the stage where we cannot simply say, "It is just too bad that this deficit has occurred for various reasons," and then not attempt to do anything about it. The fact remains that there is a deficit, and we must make every possible effort to reduce it.

Mr. JOHNSTON of South Carolina. Mr. President, is it not also true that the penalty mail and the franking privilege cost the Government almost \$100,000,000?

Mr. BALDWIN. That is correct.

Mr. JOHNSTON of South Carolina. Is it not also true that we are subsidizing the air-mail service—which ought to be charged to the defense of the Nation—\$26,000,000 a year?

Mr. BALDWIN. The Senator is correct.

Mr. JOHNSTON of South Carolina. So it seems to me those matters should be taken into consideration when we talk about the \$403,000,000 deficit of the Post Office Department.

Mr. BALDWIN. Mr. President, my answer to the Senator is that although there may be plenty of excuses for the existence of the deficit, there is no excuse for our not doing everything in our power to reduce it.

The proviso to which I am addressing my remarks will cost the people of the country approximately \$170,000. Comparatively speaking, that is not a very large amount, and some persons may say it is only a drop in the bucket. However, Mr. President, if there are enough drops of that sort, the bucket will soon be filled.

Mr. JOHNSTON of South Carolina. Mr. President, if the Senator will further yield, I should like to ask whether he will be in favor of making every county newspaper pay its way, so far as the post office service it receives is concerned.

Mr. BALDWIN. Mr. President, we are not discussing postal rates at this time; we are discussing the deficit in the postal budget. When the time comes to discuss postal rates, I shall be happy to do so.

Mr. JOHNSTON of South Carolina. The Senator from Connecticut is discussing the Post Office Department and its deficits, so I think all the facts in that connection should be brought out. I

think the public should have all the facts, not merely half of the facts.

Mr. BALDWIN. Mr. President, in answer to the Senator's statement, I say that I am not on the subcommittee; but I, for one, believe that in certain areas there should be increases in postal rates; and I shall be glad to join with the Senator as to any suggestions he may care to make for increases in postal rates.

However, at this time we are talking about a means of making a saving in the appropriations, although only a small one, to wit, a saving of approximately \$170,000.

Under these circumstances, Mr. President, one would have every reason to expect that no amendment which admittedly would have the effect of increasing the costs of the postal service would be seriously considered. Under no circumstances, Mr. President, would any unnecessary increased costs appear to be warranted.

Mr. President, I think my distinguished friend, the Senator from South Carolina [Mr. JOHNSTON], who is the very able chairman of the Committee on Post Office and Civil Service, will agree with that statement, for in his work on the committee he has already indicated his agreement with it.

We have investigated the cost of the proviso now under consideration, and the effect it will have upon the postal service. The statement was made—and its accuracy was confirmed—that the effect of requiring the use of the different kind of twine, as stated in the proviso, rather than to permit the Department to use the kind it has used for many years past, and is using today, will be approximately \$175,000 annually.

It may be inconceivable to some persons that the annual appropriation for twine used by the Post Office Department should amount to more than \$1,000,000, but that is indeed the case. Such twine is one of the very large items of supply for the Post Office Department. So we are dealing with an important item, insofar as the Post Office is concerned.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield.

Mr. LONG. Does not this amendment amount, in fact, to the granting of a subsidy to certain cotton producers, by requiring the Post Office Department to use such cotton twine?

Mr. BALDWIN. That is correct; the effect is to grant a subsidy to cotton producers.

Mr. LONG. Is it not also true that the Post Office is losing \$500,000,000 a year because it is subsidizing practically everyone in the United States, in one fashion or another?

Mr. BALDWIN. The Senator from Louisiana is absolutely correct.

Mr. LONG. I wonder whether the Senator from Connecticut will agree with me that the chances are we can remove almost all the \$500,000,000 deficit if we put the appropriations for the postal service fairly well in line with the actual cost of providing the service.

Mr. BALDWIN. I agree with the Senator from Louisiana that we must do two

things, insofar as the Post Office Department is concerned: First, we must cut down the costs of the postal service in every way we economically can do, consistent with the rendering of good service; and, second, we must impose increases in postal rates, where they can be properly and economically applied. I think we should not accept some of the recommendations made by the Postmaster General. We must recognize that the Post Office Department furnishes service to the country as a whole, and probably we shall have to continue to subsidize the postal service for a long time to come. But I think the Senator from Louisiana is absolutely correct when he says that we should reduce the subsidy to the point of having it meet the basic needs of the particular service we have in mind.

I submit that the proposal we are now discussing should not be regarded as a proper subsidy, because the cotton industry already is receiving a very substantial subsidy in the form of support prices. I believe in having the Government provide support prices for cotton, and I have voted for them.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield.

Mr. SALTONSTALL. I should like to point out, in connection with what the Senator has just said, that, so far as the parity price of cotton and subsidies are concerned, the item now under consideration is a small one. In support of that statement I submit the following memorandum from the Post Office Department:

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT POSTMASTER GENERAL,
Washington, D. C., May 2, 1949.

Memorandum for Mr. BUCKLEY:

In compliance with your telephonic request of today, there is shown below data in connection with the purchase of all kinds of wrapping twine during the fiscal years 1941, 1942, 1943, 1945, 1946, 1947, and 1948:

1941		
1,964,101 lbs. jute, average cost,		
\$0.1429 lb-----		\$280,558.69
533,530 lbs. cotton, average cost,		
\$0.2025 lb-----		109,511.45
Total-----		390,070.14
1942		
2,025,460 lbs. jute, average cost,		
\$0.17 lb-----		344,328.32
385,725 lbs. cotton, average cost,		
\$0.3261 lb-----		125,807.24
Total-----		470,135.56
1943		
2,552,816 lbs. jute, average cost,		
\$0.2019 lb-----		515,441.14
429,248 lbs. cotton, average cost,		
\$0.404 lb-----		173,452.51
Total-----		688,893.65
1945		
4,337,366 lbs. jute, average cost,		
\$0.21 lb-----		911,284.60
1946		
4,251,239 lbs. jute, average cost,		
\$0.22 lb-----		907,081.60
1947		
3,683,864 lbs. jute, average cost,		
\$0.25 lb-----		910,559.60

1948

3,321,206 lbs. jute, average cost,
\$0.318 lb.-----\$1,056,187.54

ESTIMATE 1950

3,890,000 lbs. jute, average cost,
\$0.3595 lb.-----1,337,340.00

It will be noted that I have added the information for the fiscal years 1942 and 1943 as considerable cotton twine was purchased during those 2 fiscal years.

L. H. VULLINGS,
Acting Superintendent.

So, Mr. President, from the standpoint of the use of cotton, this item is a comparatively minor one at best. If we take the word of the Post Office officials—and I say this even though in Massachusetts both jute twine and cotton twine are manufactured—cotton twine in this instance is less efficient than jute twine.

Mr. BALDWIN. I thank the Senator from Massachusetts for his contribution.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BALDWIN. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. So that the RECORD may be entirely clear, I should like to ask the Senator from Connecticut a question. It was stated that there was a very high subsidy on cotton, in fact that it was oversubscribed, or something to that effect. That is also true is it not of all agricultural products, or at least the majority of them?

Mr. BALDWIN. The Senator is correct.

Mr. MAYBANK. The business of this country is subsidized.

Mr. BALDWIN. It is, indeed.

Mr. MAYBANK. Is it not a fact that the United States Government took the cotton of the poor cotton farmer and sold it at a profit of \$90,000,000?

Mr. BALDWIN. The Senator is more familiar with that detail than I am.

Mr. MAYBANK. That is in the RECORD.

Mr. TAFT. Mr. President, if the Senator will yield, I may say the Government never got the \$90,000,000. That was only the figure at which it sold to foreign countries, who never paid for it. That was the net result of lend-lease.

Mr. MAYBANK. But the Senator will agree as to the figure; will he not?

Mr. TAFT. Yes; but we got no money for it. We merely got in return credits that we canceled. That is all we got for it.

Mr. MAYBANK. But all the cotton of the cotton farmers was sold, it having been taken over at a certain price, and exported. Is that not correct, I ask the Senator from Ohio? Therefore, the books of the Commodity Credit Corporation show a credit for cotton.

Mr. TAFT. That is correct, but only because the Government in effect gave them the money, except that for a year or two before the war, there was small profit. But all the stuff that was sold for them was sold on credit, and we never got the money.

Mr. BALDWIN. It was a paper profit of the most paperish sort, was it not?

Mr. TAFT. That is correct.

Mr. MAYBANK. Let us be frank about this matter. With all the Government's appropriations under the Mar-

shall plan, besides the large credits available, many business corporations, textile institutions, and others have derived no benefit.

Mr. BALDWIN. I may say to my distinguished friend, on that point, that one of the most vigorous complaints I get from my constituents, the workers in Connecticut, who now number about 12 percent on the unemployment rolls, is that no appreciable amount of business has been coming into Connecticut under the Marshall plan. I may say further to my distinguished friend from South Carolina, concerning the subsidy and the tariff, about which he was speaking, that one of the large industries in the State of Connecticut is the watch and clock industry, and it is also a large industry in the State of Massachusetts. By reason of the variations now in effect, some of the largest clock and watch industries are closing their doors and turning their employees away. We are not here asking for a subsidy for special treatment of the watch and clock industry. All we want in that respect is a fair deal.

Mr. MAYBANK. That is all we want.

Mr. BALDWIN. And that is what I say we are not getting.

Mr. MAYBANK. I may say to the Senator from Connecticut I hope, when appropriations come before the Senate, he will join with me, as I joined with the Senator from Ohio [Mr. TAFT] and with the Senator from Georgia [Mr. RUSSELL], in supporting a cut of 10 percent, and, if necessary, a cut of 20 percent.

Mr. BALDWIN. Of course, my distinguished friend is on the right track, but I would ask him to join with me in one thing. When we come to the extension of the Reciprocal Trade Agreement Act, let us put in it the danger-point provision again. As I want to see the cotton industry in the Southlands supported by an open and aboveboard, fair subsidy, so, too, I want to see the American worker and the American industrialists in the State of Connecticut have a fair break with foreign competition.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BALDWIN. I am glad to yield.

Mr. LONG. I should merely like to say to the Senator, I believe he is basically sound in arguing against a subsidy of \$150,000, on one point, but I should like to suggest to him that he go along with me when we start working on the \$500,000,000 subsidies. We ought to do something about the post office, generally.

Mr. BALDWIN. I think my distinguished friend from Louisiana has a good point.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to refer to the Post Office Department. United States savings bonds and stamps cost the Post Office \$1,697,129; Civil Service, \$1,767,943; documentary stamps, \$321,582; migratory bird stamps, \$86,512; custodial service in public buildings, similar to that employed in connection with the courts throughout the land, \$14,844,680. It looks as if other departments are riding the Post Office Depart-

ment at the present time. Personally I think we should look into all these charges which are now placed on the Post Office Department, and put them under "miscellaneous", instead of placing them on the Post Office, and then saying that the Post Office has a deficit of so much, for airplane service, and many other items. I myself am becoming tired of hearing so much talk about the deficit, when we are not told what is bringing it about.

Mr. BALDWIN. Mr. President, to resume my remarks, I would say to my distinguished friend that what I am contending for is the same thing he is contending for, to help reduce the deficit in the Post Office Department. The proviso in the bill will add \$175,000 alone to that deficit. That is why I am against the proviso.

Mr. JOHNSTON of South Carolina. Mr. President, I do not know exactly what it will cost. No one knows. No one knows what cotton will be bringing. No one knows exactly what jute will be bringing. That is only an approximate amount, under the present tariff, and if we continue to be unable to run our mills and produce our cotton, I think the Senator from Connecticut realizes what will happen to the price of cotton.

Mr. BALDWIN. I may say also, Mr. President, in response to my good friend's statement, as he has pointed out, that the Post Office Department is carrying other special subsidies of one kind and another, burdens which should not be on its back; and with that I am in absolute agreement. But I pursue the point further to say, when we are going to subsidize cotton, let us do it through the agricultural bill, not through the appropriation bill for the Treasury and Post Office. That is the point we are arguing here. As I stated before, the proviso will increase the cost about \$175,000 annually.

More than this, Mr. President, for this additional cost, the Department will get less twine than it could obtain for the same amount of money.

This alone, Mr. President, should certainly lead us to be reluctant to adopt a provision which was not requested in the executive budget, and was not passed by the House.

This proviso was added by the committee. It was not requested in the executive budget. It was not passed by the House. It is an idea that originates in the Senate. The executive department, in its budget, omitted any such proviso, and the House when it passed the bill omitted it.

It should certainly warrant the most searching scrutiny of the proposal, and particularly of the reasons why an increase of this magnitude in cost should be provided under present fiscal conditions and the anticipated postal deficits which have led to requests for increases in certain postal rates.

In the course of my inquiry, Mr. President, I have discovered that this is not altogether a novel proposal. It appears to have had a considerable history.

I should suppose, Mr. President, that we have no more zealous and devoted group of governmental employees than those in the postal service.

Over the years every effort has been made, and properly so, to provide them with the best materials which they need in the performance of their arduous duties.

Every year the Post Office Department purchases several million pounds of twine to enable its employees, particularly those who work in railway mail cars, to tie up the bundles of letters which are sorted for distribution and delivery.

Careful specifications have been developed, I am told, to secure a twine which will function properly. It must be of such character that it will hold letters together and not stretch or permit them to slip.

It must permit rapid handling of the mails. Above all, it must not be so made that in the performance of their duties the postal employees will cut or injure their hands in working with it.

Mr. President, it has been pointed out that cotton has a higher tensile strength than has jute. That is correct, but, in the minds of the men employed in handling this twine for long years in the postal service, that is a disadvantage rather than an advantage.

For these purposes the Post Office Department, since the turn of the century, has been using a letter-mail twine made of jute.

It bought this twine for several reasons. It was economical to do so. It was a completely satisfactory product. The needs of the postal service were met in timely fashion. Moreover, no other adequate letter-mail twine was available.

Despite some experimental work, a satisfactory cotton letter-mail twine has, in fact, never been developed.

My friends have said that what they want to do is to give an opportunity to the cotton manufacturers and cotton growers to provide this kind of twine. We have been working with it for a long time, Mr. President, and the right kind of cotton twine has never yet been developed.

On this point, Mr. President, I have found that as late as 1939 the Purchasing Agent of the Department, told the Senate committee that in only 2 years up to that time had the Department purchased cotton twine. He said:

I happen to know about this cotton twine because I was a postmaster in Kansas during the war. The cotton twine did cut the men's fingers.

In the same hearing he said:

The main objection to the use of cotton twine is on account of the cutting of the fingers and the stretch that is in the twine.

Nevertheless, Congress had been persuaded for the fiscal year 1940 to include in the departmental appropriation a proviso similar to that now recommended to be included in this bill.

It would seem appropriate, Mr. President, to inquire what happened. The first effect was that the Department's buying program for this necessary supply item was thoroughly disrupted. In addition, it had to pay \$89,000 more for its letter-mail twine and got less twine.

Even more striking, Mr. President, was the fact that throughout the 3 years in which this provision was in effect, only one cotton mill elected to bid to supply the departmental requirements.

The junior Senator from Connecticut may say that there are cotton mills in Connecticut, just as the distinguished Senator from Massachusetts reminded the Senator from South Carolina that there are cotton mills in Massachusetts. Indeed there are; and there are also jute mills in New England, and I think it is fair that they should have an even chance.

Certainly, Mr. President, in the reciprocal-trade arrangements we shall find it will be more feasible for us to import raw materials in return for the export of our manufactured goods than it is to do the other thing, for our good and our own protection. While I want to see the cotton farmer get a square deal, and I also want to see the cotton-mill worker and the cotton-mill owner get a square deal, I also want to see manufacturers in New England get a square deal, whether they be cotton manufacturers or jute manufacturers.

With this provision in the law, the Post Office had to take whatever cotton twine was offered at whatever price was charged by this single manufacturer. But even more important, from the point of view of postal employees, it could not get a satisfactory twine made of cotton. Under the proviso, the Department had to take whatever cotton twine was offered at whatever price it was offered.

This unsatisfactory condition continued, Mr. President, until in the appropriation bill for the fiscal year 1942 the proviso was eliminated. Nevertheless, the Post Office Department has consistently continued to invite bids on both types of twine. It has always purchased on competitive bidding, but over the years it has never been established that a satisfactory twine of cotton could be manufactured and delivered in accordance with the postal needs.

I do not gloat in satisfaction over that. I simply state it as a fact. If a cotton twine could be developed which could compete in price, in usefulness, and in adaptability to the uses of the Post Office Department, that would be fine. But I say it has not yet been done, and it is up to the cotton manufacturers to do it on a perfectly open and fair competitive basis.

Why, then, Mr. President, you might ask, are we dealing with this same suggestion today?

I have examined the hearings on this proposal and I find that it apparently originated in a letter from interested cotton-twine manufacturers and their trade associations. In this communication it is reported that these manufacturers are doing exploratory work directed to a better cotton twine for post-office requirements.

It would appear, Mr. President, that this is a recognition of one of the difficulties which led Congress to eliminate this same proviso 8 years ago.

The letter also recognizes that cotton twine will cost more and that there should not be imposed upon the Post Office Department any unnecessary burden or expenditure.

One of the extraordinary things, Mr. President, is that the purchasing agent of the Post Office Department, to whose

previous testimony on the unsatisfactory character of cotton twine and its excessive cost I have previously referred, was present at the hearings early in April, and it was suggested to the committee that he could furnish it with information. However, he was not invited to testify before the committee. I simply say the committee has not had the benefit of his information.

Mr. President, it should be clearly understood that there is nothing to prevent anyone from bidding to supply cotton letter mail twine to the Post Office Department. Indeed, we have been advised that in every invitation for many years the Post Office Department has included specifications for cotton twine and has invited bids. There is a free and open opportunity for competitive bidding on this item.

Nevertheless, only occasionally have cotton manufacturers ventured to make bids for small portions of the Post Office's needs.

For example, the purchasing agent reported in 1943 that he had succeeded in getting only partial bids for cotton twine at a price 20 cents per pound over bids for jute; and this had been despite visits which he had made to several large cotton mills in an unsuccessful effort to get them to bid on the Department's requirements.

What we have here, Mr. President, is something entirely different. It is a provision which is designed to create a protected market for this supply item and to require the Post Office Department to purchase cotton twine no matter how much it costs.

Even if a satisfactory cotton twine is not offered, the postal service will have to take, in the words of the purchasing agent, "any kind of twine at whatever price it is offered."

This seems to me, Mr. President, to be highly discriminatory as well as extravagant and burdensome.

I should like to digress a moment, Mr. President, because it seems to me that sometimes in appropriation bills strange and unusual things are done. For example, in New England we manufacture a large number of typewriters, and employ thousands of people in their manufacture. But each year the appropriation bill contains a clause—which the Senator from Connecticut has fought each year—not providing for open competitive bidding, but providing that no department can bid higher than a certain price for typewriters. In other words, the Government steps into that particular field and asks that it be a preferred purchaser. It does not undertake to compete with other citizens of the country but asks that it be a preferred purchaser, so that it can purchase typewriters at prices lower than those at which they are sold generally.

If there is such diligence in saving money that the Government puts a ceiling on the price of typewriters bought for the Federal Government, why is it that it does not exercise diligence when dealing with another important matter of supply? It seems to me that indicates a most glaring inconsistency.

The American companies who employ American labor and now supply through

competitive bidding, the twine which the postal service uses, are not located in Connecticut. Their mills, I am told, are located in Pennsylvania, Massachusetts, New York, New Jersey, Delaware, and other States.

Nevertheless, it would seem that from their point of view this is a highly discriminatory proposal, namely, to give a protected privilege of supplying a necessary item for the postal service, by those in competition with them, wholly apart from price. Whether we should do this by a subsidy in the appropriation bill for the Post Office Department, or in the agricultural appropriation bill, seems to me to be open to no question. If we are to give this subsidy, it should be in the appropriation bill for the Department of Agriculture, in the appropriation for support prices and items of that sort.

Whether this should be done at the cost of the postal service, rather than by open and direct provision, might be a matter for debate. But the fact is that the relative amount of cotton involved is insignificant.

In 1939 the purchasing agent told the Senate committee that if the Department used entirely letter mail twine of cotton, it would consume only thirty-three ten-thousandths of 1 percent of an average crop. Under the present proposal, to require that one-quarter of its needs be purchased in cotton twine, the amount of cotton consumed would be slightly over one one-thousandth of 1 percent of the anticipated 1949 crop.

Mr. President, this is a small item, but it seems to the junior Senator from Connecticut that a very important principle is involved. If we are to support commodities, if we are to support agricultural products, let us come right out in the appropriation bill and say, "Here is the manner and method we provide for the support." Let us not run around, and tuck here and tuck there and tuck some other place a little subsidy provision which adds to the cost of the commodity to the taxpayers.

There is another principle involved in this, and that is why I trespass upon the Senate's time in discussing at some length an item which appears to be comparatively small. In the whole budget there are hundreds of thousands of items. When we can find one in which we can honestly and fairly and justly make some reduction, when we can find a particular item in the budget where, by adopting one policy, we can save a few thousand dollars here, a couple of hundred thousand dollars there, or \$50,000, and can multiply that by a thousand times, we are doing the kind of job which should be done in an effort to reduce the cost of Government. But if we are profligate, if we say, "This is a small item; it does not make much difference whether we pay \$20,000 or \$40,000, in a \$40,000,000 budget," and multiply that many times, it makes a large difference when we come to determine whether the budget is to be in balance or not.

Accordingly, Mr. President, it seems to me that there is no basis in good judgment, fairness, or sound economy, to support this proviso. In the face of a vast

postal deficit, accompanied by reductions in the requested appropriations, and by the prospect of having to increase postal rates, we are asked to require the Department unnecessarily to increase its costs on an essential supply item by \$175,000.

To do so will disrupt the procurement program of the department. In addition, there is no assurance that a satisfactory product can be now supplied by those who are asking for a protected market, or that the efficiency of the service will not again be impaired and its employees subjected to the hazard of cut fingers.

Perhaps more important, Mr. President, is the unwise principle we are asked to incorporate in this appropriation bill. We are asked to abolish in this case the salutary requirement that postal supplies be purchased by competitive bidding, as are all other Government needs. That is a very important thing in the administration of Government, that articles be purchased on the basis of open competitive bidding. In this proviso we are asked to abandon that salutary practice.

We are asked to create an artificial market for one particular product irrespective of price, and by doing so to discriminate against American manufacturers of another product.

For these reasons, Mr. President, the junior Senator from Connecticut thinks the amendment recommended by the committee in the form of the proviso should be stricken from the bill.

Mr. SALTONSTALL obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield for a question.

Mr. MAYBANK. The question is on striking out the committee amendment in the Post Office Department item so far as twine and cotton surplus is concerned.

Mr. SALTONSTALL. That is correct.

Mr. MAYBANK. Does the Senator intend to ask for a quorum at this time?

Mr. SALTONSTALL. My purpose when I rose was to ask for a quorum.

Mr. MAYBANK. I am wondering if the Senator from Massachusetts thinks it possible to make some agreement as to the debate to follow the quorum call in connection with the amendment of the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON] regarding the 5-percent reduction.

Mr. SALTONSTALL. I yield to the Senator from New Hampshire, who is present and can answer for himself.

Mr. BRIDGES. I should like to have a quorum call before the vote.

Mr. MAYBANK. I agree, of course, that there should be a quorum call before the vote, but I wondered if we could have a vote on the pending amendment, either by a division, or whatever method the Senator from Massachusetts might decide on.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The question is on agreeing to the amendment of the committee.

Mr. BRIDGES. Mr. President, inasmuch as there is a desire to have a yeay and nay vote, we should have a quorum call ahead of it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 33, beginning in line 7 and ending in line 11.

Mr. BALDWIN. Mr. President, as I understand, a vote "yea" is a vote to adopt the committee amendment, and a vote "nay" is a vote to reject the committee amendment.

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the committee amendment. (Putting the question.)

The amendment was rejected.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Holland	Mundt
Anderson	Hunt	O'Connor
Baldwin	Ives	O'Mahoney
Brewster	Jenner	Pepper
Bridges	Johnson, Tex.	Reed
Butler	Johnston, S. C.	Robertson
Byrd	Kefauver	Russell
Cain	Kem	Saltonstall
Chavez	Knowland	Schoeppel
Cordon	Langer	Smith, Maine
Donnell	Long	Sparkman
Douglas	Lucas	Stennis
Downey	McCarran	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thomas, Utah
Flanders	McFarland	Tydings
Frear	McGrath	Vandenberg
Green	McKellar	Watkins
Gurney	Magnuson	Wherry
Hayden	Martin	Wiley
Hendrickson	Maybank	Williams
Hill	Millikin	
Hoey	Morse	

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations was conducting hearings on the North Atlantic Pact.

The PRESIDING OFFICER. A quorum is present.

The bill is open to further amendment.

Mr. BRIDGES. Mr. President, on behalf of the Senator from Michigan [Mr. FERGUSON] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire for himself and the Senator from Michigan will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

SEC. 402. (a) The Secretary of the Treasury, with respect to appropriations made in title I of this act, and the Postmaster General, with respect to appropriations made in title II of this act, are authorized and directed, with the approval of the Director of the Bureau of the Budget, to make such reductions in the amounts to be expended from the appropriations made in each such title as will in the aggregate equal at least 5 percent of the total amounts so appropriated therein. The Secretary of the Treasury and the Postmaster General shall each certify the reduction in each appropriation account to the Secretary of the

Treasury and to the Committees on Appropriations of the Senate and the House of Representatives. The amounts so certified shall not be expended but shall be impounded and returned to the Treasury.

(b) Such reduction shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficiency of the service.

(c) No item of appropriation contained in either of such titles shall be reduced more than 20 percent.

(d) A statement of each reduction hereunder, including the amount thereof, shall be included in the annual budget for the fiscal year 1951.

Mr. MAYBANK. Mr. President, I make the point of order that the amendment offered by the Senator from New Hampshire for himself and the Senator from Michigan is legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BRIDGES. Mr. President, I point out that we filed in due time notice of a motion to suspend the rule so that the amendment might be considered.

Mr. President, I do not see any object in taking a great deal of time to explain this amendment. This motion is similar to the motion made in connection with the Federal Security and Labor bills? It is a scientific approach to the reduction of expenditures. It is done to get away from the over-all or meat-ax approach.

The amendment would give to the Secretary of the Treasury and the Postmaster General discretion in absorbing a 5-percent cut. There is no good administrator in the Federal Government today who cannot organize his department so that it can absorb a 5-percent cut without curtailing the efficiency of the department.

In my judgment, the issue is very simple. I hold in my hand a report from an evening newspaper—and I saw a similar report in the newspaper this morning—to the effect that the advisers to the President finally have come to the conclusion that we must reduce expenditures. I do not know whether they mean it or not. I do not know whether the President and the administrative leaders intend to pay heed to it. Apparently they are the men who give advice; and if they are giving advice on this subject, in which they are experts, certainly I think the advice should be heeded.

Mr. REED. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. REED. Is the Senator from New Hampshire aware of the fact that the three economic advisers to the President, Dr. Nourse, Professor Keyserling, and Mr. Clark, have advised the President officially that expenses should be reduced and the budget cut?

Mr. BRIDGES. I appreciate that word from the distinguished Senator from Kansas. I had read the accounts in the newspapers, but I had not been aware of any official action to that effect.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. In regard to the Post Office Department, I ask the Senator

from New Hampshire how a department which is running a \$400,000,000 deficit could absorb a 5-percent cut. Would it not simply be added to the deficit?

Mr. BRIDGES. That is an excellent question. I think undoubtedly it would constitute a major problem in the Post Office Department. I should like to answer the question of the Senator from Vermont. I say to him that if we write into the law such a provision in regard to the appropriations for the Post Office Department, even though it has been operating at a deficit, it should certainly give the Postmaster General an indication of the intent of Congress, so that he would make some endeavor to reduce the expenditures of the Department.

As a rule I think our postal service has been well handled; but the Senator from Vermont, who has been chairman of the Committee To Investigate Expenditures in the Executive Departments, and who performed in that capacity in a very able manner, knows that in some of the great cities of the United States the Post Office Department's expenditures could be greatly reduced.

Mr. BALDWIN and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. MAYBANK. Mr. President, I should like to ask the Senator from New Hampshire a question, for the benefit of the Senators on this side of the aisle who have been having difficulty in hearing the discussion.

Mr. BRIDGES. Very well; I yield first to the Senator from South Carolina.

Mr. MAYBANK. I wish to ask whether the Senator has stated that he filed the motion in due time, and was not filing it today, to be held over?

Mr. BRIDGES. Yes; it has been previously filed.

I yield now to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, in line with the question which was asked by the Senator from Vermont, let me inquire whether the Senator from New Hampshire knows that the Postmaster General has recommended to the Committee on Post Office and Civil Service a means of wiping out the causes of the postal deficit, except insofar as the use of the franking privilege is concerned. In other words, I point out that although the question the Senator from Vermont has asked is a very cogent one, nevertheless the course it suggests is not consistent with the policy we are trying to follow in respect to the Post Office Department.

As the Senator from New Hampshire has said, the proposed action would be an indication to the Post Office Department to make reductions in expenditures all along the line; and such a proposition is very different from one to increase postal rates.

Mr. BRIDGES. I thank the Senator, and I think he is absolutely correct.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me say that the Post Office Department probably could save a great deal of money by modernizing its equipment and its methods.

The Hoover Commission's study indicated that there could be greater efficiency in the Department without increasing its expenditures. The question of whether the Postmaster General should be given authority to fix postal rates so as to bring the operations of the Post Office Department "into the black" was considered. Of course, the Senator from New Hampshire knows how difficult it is to increase any postal rates. It seems that practically every organization in the United States has communicated with us, asking us not to increase the postal rates on second-class or third-class matter.

So the Hoover Commission decided that as a matter of policy the Congress should decide whether it wished to subsidize the public through the Post Office Department, or whether it wished to attempt to place the Post Office Department on a self-sustaining basis. Of course, either step can be taken. The decision as to which course shall be taken is a matter of policy for the Congress to decide.

However, there is no question that the Post Office Department can effect some savings by modernizing its equipment and its methods.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. As a member of the Appropriations Committee's subcommittee on the Post Office-Treasury Departments appropriation bill, I realize the truth of what the Senator has stated, namely, that it will be very difficult to reduce the Post Office Department's appropriations to any great degree, because of the present existence of a deficit in connection with the postal service. However, if such motions are to be presented as to one appropriation bill, is it not fair to have them presented as to all other appropriation bills, so that the Congress will not be playing favorites, but will be asking every Government official to be more efficient?

Mr. BRIDGES. I think the Senator from Massachusetts is absolutely correct. Certainly if we were to offer such an amendment to one appropriation bill, but were to fail to offer similar amendments to several other appropriation bills, a hue and cry would immediately be raised that we were playing favorites as between the Departments.

We recognize that there are certain items the appropriations for which cannot be reduced, for instance, the appropriations for paying the interest on the national debt, and appropriations for other expenditures specifically required by law. However, all other appropriations can be reduced; as to them, the field for reductions is wide open. Generally speaking, if a department head cannot cut 5 percent from his department's expenditures, and still operate his department officially, he himself is not a very efficient administrator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. It seems to me that in the case of some of the departments the only efficient cuts the heads of the departments could make would be in their deficiency appropriations. As the

Senator from Massachusetts has stated, and as the able Senator from New Hampshire knows, at the present time the Post Office Department is running in the red, and in the future it will run even further in the red because of the requirements of certain laws, passed by the last Congress, of which I was a Member, providing for large increases in salaries and other expenses.

Mr. BRIDGES. I think the issue is clear. One of the items the Senator from Maine discussed the other day has come before the committee. I refer to the subsidies paid by the Post Office Department to airlines for carrying the mails. That is one of the worst provisions, so far as the issue we are now considering is concerned.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. Unfortunately, the law requires, as the testimony before the committee showed the other day, when Acting Postmaster General, Mr. Burke, was testifying in the absence of Mr. Donaldson—and his testimony was given in the presence of the Senator from Massachusetts, the Senator from Oregon and other Senators—that the Post Office Department make such expenditures for the transportation of mail by the airlines. Under the provisions of laws which the Congress has enacted, the Post Office Department has no alternative. Of course in connection with that matter, some of the requirements which are imposed arise as a result of regulations adopted by the Interstate Commerce Commission pursuant to the laws passed by Congress, I believe.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BREWSTER. I think the Senator from South Carolina is referring to the Civil Aeronautics Board.

Mr. MAYBANK. That is correct. Under a law the Congress has passed, the Civil Aeronautics Board issues orders calling for certain payments to be made to the air lines in connection with the carrying of the mails, and the Postmaster General cannot do anything about that matter. In that connection, I may point out that hearings were held regarding the matter of payments made for air-mail subsidies to the operators of the Constellations, when they were grounded. In the supplemental appropriations bill we took action disapproving of all such payments. Some air-mail subsidies were involved.

Mr. BREWSTER. Mr. President, I am sure the Senator from New Hampshire and the Senator from South Carolina know that the Interstate and Foreign Commerce Committee is now conducting very extensive hearings in regard to that entire situation, under the leadership of the Senator from Colorado [Mr. JOHNSON]. It is perfectly evident that an accord must be reached, because when we have one tribunal determining the expenditures of money to be made by another agency of government, but doing so without responsibility or accountability, we have an utterly undesirable and indefensible situation.

Mail-subsidy payments extending over a period of 2 or 3 years in the past, and covering the grounding of the Constellations and the grounding of the DC-6's, were made; and in such circumstances it would be almost impossible for anyone to determine where the matter would end.

If the Congress takes a step of the character here proposed, I think that will serve a very salutary purpose in giving notice that we who appropriate the money expect some degree of accountability and responsibility to be displayed by these tribunals.

Today in the committee we have gone through this matter. Undoubtedly there are other expenditures which can be and must be reduced. In that respect, progress has been made by the departments; but, in my judgment, nowhere near the amount of progress which should be made has been made.

Mr. MAYBANK. Mr. President, if the Senator will yield to me, let me say that I desire to associate myself completely with the thoughts by the Senator from New Hampshire and the Senator from Maine. However, our committee could not propose reductions in expenditures presently required by public laws.

As to the expenditures for air-mail service, I may say that I turned over to the Senator from Colorado [Mr. JOHNSON] all the documents the committee had in respect to that matter, in the hope that he, with the assistance of the other members of the committee, would present to the Senate proposed legislation to stop the payment of such large amounts of money under the orders of the Civil Aeronautics Board. I know as well as the Senator does that it puts a premium on incompetency; it subsidizes a line that loses money, whereas a good line that does not lose money receives no benefit.

Mr. BREWSTER. What is honest and economic and efficient management in connection with the Civil Aeronautics Act is to be determined by the CAB. But I am very sure the Civil Aeronautics Board, like the Supreme Court, listens not only to the election returns, but also to the action of the Congress. I think it will serve a very salutary purpose if they realize that we are beginning to cut down a little here, and that we recognize the necessity of everybody sharpening his pencil.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. LONG. If that be the case, insofar as the air line subsidy and the law relative thereto is concerned, why not simply change the law so as to give the air lines a very liberal allowance per ton mile, instead of putting it in the form of a subsidy and encouraging somebody to lose money at Government expense?

Mr. BREWSTER. I have tried to do that, but some of the feeder lines to the particular area of the Senator from Louisiana, the southern area, would immediately be out of business, because the payments are \$50 a mile, as against the 50 cents or 65 cents a ton-mile the traffic lines get. That is a very different problem.

Mr. LONG. I may say to the Senator I am acquainted with some of the air lines. Some of them the Government encourages unduly.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Arizona.

Mr. HAYDEN. I question the statement made by the Senator from New Hampshire. He stated that he would apply the 5 percent reduction to all bills, and that any agency of Government that could not cut 5 percent was inefficient.

Mr. BRIDGES. I mean there are certain items in the bill, as the Senator knows, like interest on the debt and grants to States, which are established by law.

Mr. HAYDEN. Let us look at the bill. The appropriations contained in the pending bill are \$63,198,246 less than the budget estimates. Of that amount, \$11,783,200 represents the sum by which the appropriations for the Post Office Department are under the budget estimate. So far as that sum itself is concerned, I do not believe we are saving a red cent, because it will cause an additional postal deficit, which will have to be made up by way of a deficiency bill. So at least we should not fool ourselves that we are actually saving any money with respect to the Post Office Department.

As to the Treasury Department, the total amount by which the appropriation is below the budget estimate is \$51,410,046. That represents a substantial cut. The item for which the Senate increased the House appropriation has to do with the employment of men to collect money for the United States from income and profits taxes. We allowed the full budget estimate for that, \$222,000,000. It will permit the employment of 5,787 additional men to collect revenue, instead of the mere 1,500 allowed by the House. There are two ways of balancing the budget. One is to cut expenses; the other is to bring in more revenue; and I insist that a cut of the kind proposed applied in this case is poor economy.

Mr. BRIDGES. I may say in answer to the Senator, as he knows, I have been very sympathetic toward the increase in the amount for the collection of taxes through the Internal Revenue Bureau, and he should understand that my amendment proposes a 5 percent cut in the aggregate over-all titles; so that the Secretary of the Treasury can use his discretion with respect to the item on which a cut is made. Therefore, he does not need to apply the reduction, let us say, to the collection of internal revenue, but he can apply it in one of the other divisions of the Department.

Mr. HAYDEN. We have cut the other divisions \$51,410,000 below the budget estimate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TAFT. That has been the cut below the budget estimate, but the appropriation for the Treasury over that of last year has been increased \$249,000,000, and for the Post Office, \$210,000,000; so that together there is a total increase

of almost \$500,000,000 in this bill over what was appropriated last year. Does the Senator think we have to regard the Budget estimates as inviolate? How are we going to come out, if we do?

Mr. HAYDEN. I still insist that the Budget, as it was written last year, was a tight budget, which was proved by the fact that it could not be reduced. I still insist that the present budget, in view of the slight increase by the Congress, is a tight budget, and that it cannot be cut. On the one hand, salaries cannot be increased and, on the other hand, appropriations be reduced the next day.

Mr. MAYBANK. Mr. President, I merely want to confirm what the Senator from Arizona has said; \$225,000,000 of the appropriation is to pay for the increase in salaries in the Post Office Department which we voted last year. One great factor in the expenditures of the Treasury Department which seems to have been lost sight of is that, outside the additional income-tax collectors, there is the procurement program for minerals and strategic materials. I sent the Secretary of the Treasury a letter after the Senator from Michigan had proposed the 5 percent cut, and the committee voted on it. I think the vote was 13 to 4. This is what he said:

A 5 percent reduction of the amount recommended from the Treasury Department would be \$52,000,000.

He goes on to say:

A 5-percent reduction of appropriations of \$525,000,000—

As the Senator from Ohio has said—recommended for stock piling of strategic and critical materials, will approximate \$26,000,000. Senators know of the urgent need for the balancing of the stock-piling program.

That was a commitment we made, and we must pay for it. As the Senator from Arizona knows, there is now in the second deficiency bill for strategic and critical materials a further appropriation of \$40,000,000, and \$270,000,000 for contract authorizations.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I merely wish to call to the Senator's attention the fact that it is estimated that 80 percent of the expenditures for the Post Office go to salaries and 15 percent for travel. That is 95 percent of the appropriation for the Post Office. If 5 percent is cut from the appropriation, it certainly is going to hurt, and I predict that the only thing that will happen is, the Department will come back next year and ask for a deficiency appropriation to cover the 5 percent. That is all that will happen.

Mr. BRIDGES. As I have said, generally speaking, I think the postal service does a good job, but, from what I know, I am certain that in some branches of the postal service, efficiency may be improved a great deal, and in some of the large cities, where there is terrific expense, very substantial amounts can be saved. A good many men can be dispensed with without impairing the efficiency of the service at all.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Michigan.

Mr. FERGUSON. I merely want to call attention to what the Hoover Commission said in regard to the Postal Department. It is indicated on the floor today that no sum of money can be taken from the bill. To prove that that is not a fact, the House allowed \$3,072,817,903.93. The Senate has already increased that amount \$40,250,600, so that if we would take the 5 percent from the bill as finally passed, there is no question that in efficiency, in the difference in prices of articles which have to be purchased, there could be a saving of at least 5 percent on the over-all cost of this function.

On page 33 of the report the Hoover Commission says:

It can be said, with no reflection on postal officials—

I may say, Mr. President, that efficiency does not mean the discharge of employees; it does not mean the cutting of wages of the employees; it means management. That is what we are talking about in connection with the saving of 5 percent.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FERGUSON. I do not have the floor.

Mr. BRIDGES. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, is it not true that 95 percent of the expenditures of the Post Office Department are either for actual services of employees, which we might call labor, or else the money paid for carrying the mail?

Mr. FERGUSON. I do not have the figures.

Mr. LONG. The Postmaster General testified to that effect in the Committee on Post Office and Civil Service.

Mr. BRIDGES. That has been testified to, but I should want to see definite figures to bear it out, because when there is such a tremendous cost for the maintenance of buildings and the other expenses involved, I should want to see the figures to verify the statement.

Mr. LONG. I quote those figures because that is my recollection of the figures which the Postmaster General gave this morning.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Virginia.

Mr. ROBERTSON. Is the Senator aware of the fact that we make the Post Office Department carry the expense of custodial services for all the courthouses in the United States?

Mr. FERGUSON. Does the Senator feel that we could not cut that expense 5 percent?

Mr. ROBERTSON. If the buildings are to be open, there must be janitors and charwomen. Why impose on the Post Office Department the expense of operating the courthouses?

Mr. BRIDGES. Mr. President, I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I should like to put into the RECORD the

quotation which I started to read from the Hoover report, and then I should like to ask the Members of the Senate whether there cannot be a saving of 5 percent in the operations of the Post Office Department.

Here is what the Hoover report says:

It can be said, with no reflection on postal officials that circumstances beyond their control have created a philosophy of management which is sluggish, irresolute, and wasteful, rather than imaginative, decisive, and cost conscious. Furthermore, because certain key positions in the Department are regularly filled from time to time with political appointees, there is a lack of continuity of management and little incentive for self-improvement. While it may be shown that over the years postal methods have been improved and costs reduced, it has been an uninspired, low-gear effort which progressive business management would regard as mediocre.

In view of rising expenses and the current tax burden, it is to the public interest to correct these conditions at the earliest possible date. The Postal Establishment should clearly be put in business for itself, and on this basis management should be held strictly accountable by the Congress and the President for operating results.

Mr. President, that language indicates clearly that without any legislation, with merely doing the job that should be done, the Post Office Department could cut expenses by at least 5 percent, as could also the Treasury Department.

I should like to ask the Senator from New Hampshire if he does not agree with that.

Mr. BRIDGES. I agree with the Senator from Michigan.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. ROBERTSON. On the question of management, is there not at this time a Postmaster-General who is a career man?

Mr. BRIDGES. Yes; I believe he is a career man.

Mr. ROBERTSON. Is there not a career man as First Assistant Postmaster General, in charge of transporting mail?

Mr. BRIDGES. I think so.

Mr. ROBERTSON. Is there not a career man as Inspector General?

Mr. BRIDGES. That I do not know.

Mr. ROBERTSON. That is a fact. They are the keymen in the operation of that vast establishment. That much has been taken care of in line with the Hoover suggestion. The report did not indicate at what point specific savings could be made. We know that formerly first- and second-class postmasters, and, at one time, third-class postmasters, were political appointees. Is it not true that all postmasters are now under the civil service?

Mr. BRIDGES. Yes; but the Senator knows that the civil service, with regard to postmasters, is a far cry from what we believe civil service should be.

Mr. ROBERTSON. I am as anxious to save money as is my colleague, but I have reached the conclusion that if we cut the appropriation for the Post Office Department, the Department will come back with a request for a deficiency appropriation next year. If we deduct as much as

5 percent from the appropriation for the Treasury Department, big cuts would have to be made in the items for the purchase of strategic materials and the employment of field workers who we thought would produce 20 times the amount of their cost, through the moral influence to be exerted in checking a larger percentage of income-tax returns than are now being checked. The Senator will recall that it was on the recommendation of the Ways and Means Committee, when the Republican Party had a majority on that committee, that the number of field men was increased in the Bureau of Internal Revenue as a means of increasing receipts without raising taxes. We did not go so far as the Ways and Means Committee recommended in connection with the number of new collectors in the bill for field work.

Mr. AIKEN and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. BRIDGES. I yield first to the Senator from Vermont.

Mr. AIKEN. Does the Senator think there is any guarantee, if a 5-percent reduction is ordered, that the Post Office Department will not inconvenience the public and then place the blame on Congress, as was done 2 years ago? I am inclined to think that the place to make the reduction is in the committee, and to make it at a place in which the committee finds the cut can be made. We had that unhappy experience not only with the Post Office Department, but we had a similar experience with the customs department when border control and port control were eliminated, so that smugglers could operate unhindered across the Canadian and Mexican borders.

I agree with the purpose of the Senator. I believe that a 5 percent reduction should be made, but I think the committee must tell where it must be made, or we shall run into the same difficulties which we encountered previously. It is a wicked thing for a department to inconvenience the people as much as possible in order to put the blame on Congress, but it has been done and may be done again.

Mr. BRIDGES. I think the Senator from Vermont is absolutely correct. He cites evidence of what occurred when Congress attempted to work out some economies. The Department handled the situation in such a manner as to embarrass Congress and get it to retrace its steps. They were caught in the act in two very classic examples. I say, in all earnestness, that the fear the Senator expresses is a legitimate one. Of course departments can do just that. There is that danger; there is that weakness in the amendment. While I think it is strong in every other feature, the Senator has put his finger on the weakness of the amendment.

Mr. MAYBANK. Mr. President, I wish to remind the distinguished Senator from New Hampshire of one thing. When we voted for the tax reduction last year the Treasury Department compiled some figures for the committee, after the subcommittee had held its hearings. The record of January, February, and March

1949, shows that there are nearly 4,000,000 more taxpayers, despite the tax reduction. I am going to put the information into the RECORD to justify the necessity for the additional tax collectors, who, I feel certain, the Senator from New Hampshire believes should be provided as he stated in his argument. This statement shows that in 1948 there were 40,891,370 tax returns, as against 44,565,422 in the same period in 1949.

I also ask unanimous consent to include the RECORD a statement regarding the other argumentative provisions of the 5 percent cut, as suggested by the Senator from New Hampshire and the Senator from Michigan, showing how it would affect the Treasury Department, which, after all, has to service \$5,000,000,000 in interest, in addition to all the bonds.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Number of tax returns filed in the first 3 months of calendar year 1948 and for the same period of 1949

Type of returns	Calendar year 1948—January, February, and March	Calendar year 1949—January, February, and March
Individual returns.....	35,422,328	38,929,619
Corporations.....	285,393	294,345
Partnerships.....	348,133	326,799
Estate.....	6,671	6,901
Gift.....	15,148	16,188
Employment.....	3,223,226	3,200,875
Miscellaneous.....	1,590,471	1,700,695
Total.....	40,891,370	44,565,422

¹ About 10 percent increase.

TREASURY DEPARTMENT 5 PERCENT REDUCTION

A 5 percent reduction of the amount recommended for the Treasury Department would be \$52,259,220. Without doubt this reduction would have far-reaching implications of a serious nature on the operations of the Department in the fiscal year 1950.

For example, a 5 percent reduction of the appropriation of \$525,000,000 recommended for stock piling of strategic and critical materials would approximate \$26,000,000. The Senators know of the urgent need for the balancing of our stock-piling program.

A 5 percent reduction in the appropriation of \$52,000,000 for administering the public debt would amount to \$2,600,000. If this reduction were to stand, it would vitally affect the servicing of the bond program.

A 5 percent reduction in the appropriation of \$35,300,000 for the Bureau of Customs would amount to \$1,765,000 and the enforcement of such reduction would reduce the present force by at least 600 employees. In my judgment, such reduction of personnel would vitally affect the collection of customs duties and would increase the already existing huge backlog in the examination of imported merchandise and liquidation of entries at certain of the larger ports, specifically New York and Los Angeles.

Regarding a 5 percent reduction for the Bureau of Internal Revenue, such amount would about eliminate the action taken by the Senate committee in providing about 7,000 additional positions vitally needed to collect the hundreds of millions of dollars additional revenue untapped. The Bureau would be forced to continue with 53,993 positions as compared to 59,536 requested for fiscal year 1950, and this figure is 3,959 less positions than the Bureau had during the 1947 fiscal year when the number of tax returns was less than that estimated for 1950. In connection with tax returns, I would like to call the Members' attention to

the fact that for the 3-months period in 1948, consisting of January, February and March, there were 40,891,370 tax returns filed as against 44,565,422 filed in the same period in 1949, or about a 10 percent increase in 1949 over 1948.

A 5-percent reduction in the Coast Guard appropriations would reduce the military personnel by 100 commissioned officers, 11 warrant officers, and 1,110 enlisted men. In effect, this means that over 10 ocean weather station vessels cannot be operated in 1950. Application of the 5-percent cut in the civilian employee appropriation would abolish about 60 positions in addition to some 30 positions to be abolished through disapproval of \$100,000 additional funds requested. It would also nullify to a large extent the program to improve cost analysis, inventory control, and engineering administration of the Bureau. In the appropriation for acquisition, construction, and improvements of the Coast Guard, a 5-percent reduction would amount to about \$500,000, and, considering such amount on top of a \$2,000,000 cut already made by the House, it would require deferment of high-priority projects scheduled for 1950.

Considering the current heavy workloads of the Secret Service Division and the Narcotics Division, it is highly impractical to apply a 5-percent reduction to such divisions. Testimony presented to the Appropriations Committee indicated that the funds recommended would be sufficient to meet the minimum needs of the divisions. Also, that as to the Narcotics Division, \$100,000 additional funds over the House allowance were requested of the Senate committee in connection with the enforcement of marijuana laws and the committee agreed to approval of \$50,000 of this amount.

POST OFFICE DEPARTMENT

The Senate committee recommended an appropriation of \$2,067,884,100 for operating expenses of the Post Office Department in fiscal year 1950. A 5-percent reduction of this amount would be \$103,394,205. This reduction, together with the original Budget Bureau reduction and the reductions made by Congress, would total \$160,260,405. Deducting the 5 percent from the total recommended by the Senate committee, would make available for obligations in 1950 the sum of \$1,964,489,895, as compared to present estimated 1949 postal obligations of \$2,125,785,225.

If the volume of postal business increases (volume of mail now about 5-percent increase in first 9 months of fiscal year 1949 over same period in 1948) or even remains at the present level, it is doubted that the services can be operated within the aggregate amount approved and recommended to the Senate by the Appropriations Committee. Members must remember that the Post Office Department cannot control certain expenditures, such as expenses for carrying foreign and domestic air mail. Also, that 95 percent of the expenses of the postal service are for salaries of employees and for transportation. The Department estimates a postal deficit in 1950 of approximately \$403,000,000. This deficit is mainly in the costs for handling second-, third-, and fourth-class mails. If the Department's recommended postal increase rate and service bill, H. R. 2945, is enacted, an additional revenue of approximately \$250,000,000 per annum would be received which, in turn, would reduce the estimated deficit of about \$403,000,000 to \$153,000,000.

Mr. DOUGLAS. Mr. President, I think the comments on the motion of the Senator from New Hampshire and the Senator from Michigan might perhaps fall into two classes. First, those dealing with the appropriations for the particu-

lar departments which they are questioning, and second, comments upon the fiscal problem of the Government as a whole.

I wish to commend the Committee on Appropriations for their foresightedness in appropriating more money for additional field agents in the Bureau of Internal Revenue, because I believe that this will yield a very greatly increased amount of taxes, and will more than pay for itself.

At first I was greatly pleased at what I thought was a cut of \$51,000,000 in the appropriation for the Treasury as compared with the budget estimate, but upon closer analysis, on pages 14 and 15 of the report it became apparent that \$39,000,000 of this so-called \$51,000,000 cut is in a decrease of appropriations for strategic and critical materials, namely, from \$564,000,000 to \$525,000,000, and in a foot note it is stated that there is in addition a \$250,000,000 contract authorization. So we may find that this \$39,000,000 of apparent savings is not really savings, but will show up in contract authorizations, which will later be spent without requiring any further authorization by the Congress.

Should that be true—and I assume that the board in charge of the stock pile will ultimately make the purchases authorized—there would be savings of only \$12,000,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from South Carolina.

Mr. MAYBANK. That is in the second deficiency bill, which is now before the committee. I should be glad to have the Senator come and testify. The Department not only wants \$39,000,000, but \$40,000,000, for strategic materials, which are so scarce. The committee has already recommended \$270,000,000 instead of \$250,000,000, and it is in the second deficiency bill.

Mr. DOUGLAS. I was merely trying to point out that the saving of \$39,000,000 seems to be more apparent than real, and that in reality probably the actual saving may be nearer the \$12,000,000 figure than the \$51,000,000 figure.

Mr. MAYBANK. The cut of 5 percent would be just like what the Senator is explaining. The only way to save money in Washington is to cut the deficiency bills, and not the regular bills.

Mr. DOUGLAS. At the moment, however, what we are dealing with are the regular appropriation bills, and I think it is on those bills we must act.

Mr. President, to me it seems highly important, in dealing with specific appropriation bills; that we should also keep in mind the general budget situation for the fiscal year of 1949-50, for if we do not do this, we are likely to be so influenced by the claims of particular agencies that all unwittingly we will be appropriating much larger sums than we will collect in taxes, and hence, in the absence of a general legislative budget, which we do not yet have, and this will cause the Government to operate at a very large deficit. If we are to avoid this, we must check specific needs against the general prospects of

receipts and expenditures, and see the problem steadily, and see it whole. I shall try to help provide this by a brief, and, I am aware, an incomplete analysis.

THE PROBABLE AMOUNT OF THE DEFICIT

Under date of January 3 of this year, the President submitted a budget calling for forty-one and nine-tenths billions of expenditures for the fiscal year July 1, 1949, to July 1, 1950. It was also stated that "under existing law and with continuing high levels of economic activity, revenues for the fiscal year would be \$41,000,000,000. This would result in an estimated deficit of \$873,000,000."

The rearmament of western Europe has been proposed since then. This will call for a cash appropriation for 1949 to 1950 of approximately an additional \$750,000,000, plus a transfer of approximately \$400,000,000 of war matériel. This would raise the estimated deficit to above one and six-tenths billions.

In addition, the fall in farm prices will increase the amounts needed for price supports or farm-income maintenance. The increase in unemployment will cause more GI's to return to school and college—I believe the number has increased by some 67,000—with a consequent rise in benefit payments. All of these factors taken together would seem to raise the probable deficit for the fiscal year ending July 1, 1950, to at least \$2,000,000,000, and probably to an even greater figure. All this, moreover, would assume that revenues will reach the total of forty-one billions estimated in the budget. This is altogether too optimistic.

The budget was based, as I have pointed out, on the assumption that the high levels of economic activity prevailing in November and December 1948, would continue. As a matter of fact, the Treasury seems to have overestimated receipts for the current year of 1948 to 1949. This estimate was \$39,600,000,000. But up until May 1, total receipts had only been \$31,584,000,000. We shall have to take in a little over \$8,000,000,000 in the last 2 months to reach the estimated total. Last year, in a period of high prosperity, the total net receipts were only \$7,200,000,000 during these 2 months. Even if we collect a similar sum in May and June of this year, we will still be \$800,000,000 below the estimate. The deficit for the current year is, therefore, almost certainly bound to be greater than the estimate of \$800,000,000 contained in the budget of January 3.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Virginia.

Mr. ROBERTSON. It is my recollection that the estimate for the current year was \$600,000,000, and the figure of eight hundred and some million was a deficit estimated from the next fiscal year.

Mr. DOUGLAS. The estimated budget deficit for next year is \$873,000,000.

Mr. ROBERTSON. And for this year, \$600,000,000.

Mr. DOUGLAS. The Senator may be right, that it was an estimate of \$600,000,000 when the new budget was drawn up last year. May I have the privilege of checking the figures?

Mr. ROBERTSON. Certainly.

Mr. DOUGLAS. This is merely my own estimate. What I am really trying to say is that receipts for the current period are falling below what the Treasury thought they would be, and that the deficit for the current year will be greater than was contemplated in the current budget issued on the 3d of January.

Mr. ROBERTSON. The Senator is correct. We asked the Budget Bureau a month ago to give us the figures. We got the report yesterday, and owing to the fact that final action has not been taken on the appropriation bill, the Bureau of the Budget was unwilling to give a firm estimate of what the deficit for this fiscal year or the anticipated budget for the next fiscal year would be. They said, however, that the present indications were that the deficit for this year would be in excess of the \$600,000,000 that had been previously estimated, that the receipts were falling off, that expenditures were increasing, and that the deficit for the next fiscal year would undoubtedly be larger than the \$872,000,000 which had previously been figured.

Mr. DOUGLAS. Mr. President, the revenue prospects for next year are still less encouraging. For since November, wholesale prices have fallen by about 5 percent, or from an index of 164.0 in November, to 156.1 for the week ending April 26; employment in the nonagricultural lines has decreased by about 2,000,000, or by nearly 4½ percent, and production has diminished by about 7½ percent, or from an index of 195 in November, to an estimated 180 in April. Carloadings for the week ending April 30 were 12 percent below those of a year ago. While no one can tell precisely what conditions will be for the coming fiscal year, judging from the lower level of prices, employment, production, and of national income now, as compared to that which prevailed when the budget was drawn up, it seems probable that the taxes collected at present rates during the coming year will be less than was estimated. To the degree that this is true, the deficit will be increased above the figure of 2,000,000,000 which I have previously given as a rock-bottom minimum. Unless something is done, it may well rise above 3,000,000,000 and possibly go as high as 4,000,000,000.

WHAT SHOULD WE DO ABOUT IT?

We cannot ignore this situation. While I am willing to admit the necessity for deficit financing during a war or a severe economic depression, it would, in my judgment, be extremely unsound for us to drift into such a practice this spring. In normal times or when we are within 5 to 10 percent of normal the budget should at least be balanced. Moreover, our national debt of \$252,000,000,000 is so high that we do not have much of a margin of safety. For the coming year, I submit, therefore, that our goal should be to balance our budget and bring receipts and expenditures to an approximate equality.

How can this be done? There are only two ways: namely, to increase taxes or to decrease expenditures. If we were in a boom period of high production and of

advancing prices, I would favor the program of increasing taxes, retiring a portion of the debt and dampening down the inflationary spiral. That was the condition which existed when the President's budget was drafted and the methods proposed were, therefore, wise for that period. The President's budget, as submitted on January 3, was based, in my opinion, on a correct appraisal of conditions which were then current. But conditions have changed for the worse since then, and I submit that it is very foolish for us to act on the basis of conditions of 5 or 6 months ago. Under present conditions, with business declining, it would seem to me to be extremely unwise to increase taxes further, and that, instead, we should make every effort to bring expenditures down to a proper level.

CUTTING OUT THE WASTE THE BEST WAY TO
BALANCE THE BUDGET

I believe this can be done without hurting the vital functions of defense and welfare which our Government performs. But it can only be done by squeezing out the waste in Government costs while preserving the essential services which Government provides.

I want to speak guardedly and fairly about this waste. Many exaggerated charges about its extent have been made. I shall not do so. But I think it is the sober truth that such waste has always existed in all administrations and that despite the real and effective efforts of the present administration to reduce it, such waste still exists.

I believe that our public employees have often been unduly abused. They have been charged with being loafers and tax-eaters. I think, on the contrary, that the quality of most of our Federal employees is high and that most of them are hard-working. But I should like to make two points:

First. There is a general tendency to inflate the personnel in most Government agencies. There are at least two reasons why this happens. In the first place, there is a natural tendency for the heads of bureaus and departments unduly to increase their staffs, since they do not have to meet the pay-roll costs of the employees whom they add. This is a force for economy in private enterprise which is lacking in public employment.

In private business staffs are also inflated, but there is also the restraining influence that unnecessary persons added to the pay roll must be paid out of the receipts of the company, and there is, therefore, a conservative and restricting influence in private business which we do not have in public business.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LONG. Is it not true that there is really nothing in the law at all to encourage anyone to reduce the expenses of his agency, or division, but that on the contrary the whole tendency is to give the head of an agency or bureau more recognition if he has more employees on his pay roll, which encourages him to build up his agency or section?

Mr. DOUGLAS. The Senator from Louisiana has correctly anticipated my next paragraph.

Those of us who have served in the armed forces know that this is true there. I have never known a division, a corps or an Army headquarters which did not exceed even the liberal table of organizational strength which had been set for it. The same thing is certainly true of the civil functions of government as well. Those in charge of a given activity, even if they have the best will in the world, are prone to exaggerate the importance of what they are doing and to want as much personnel as possible to carry out these functions.

Secondly, and I now turn to the point the Senator from Louisiana has anticipated—while many will deny this, and while I cannot find any explicit rules to confirm it, it is generally admitted that in many bureaus, unit, division, and section heads are rated and paid according to the number of people whom they have under them. This gives a direct economic incentive for these supervisors and their superiors to build up personnel empires in order to improve their own position. There are thus powerful forces which work toward unduly expanding the public pay roll, which are multiplicative in their nature. In addition, there is a good deal of duplication between bureaus and departments, as the Hoover Commission has abundantly shown, and frequently an unduly high standard of performance.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. I should like to ask the Senator a question. Would it not appear that in the long run it would operate for the greater efficiency of Government if we would work out some provision in the classification law to guarantee recognition for a man who reduces personnel and costs in his section or division?

Mr. DOUGLAS. I think that is one of the most needed reforms in the personnel administration of the Government, and I am glad to see that the Senator from Louisiana has it very much on his mind.

All these things operate to increase costs. These wastes are partially checked by the Bureau of the Budget, which in general does excellent work. But this Bureau cannot be expected to meet the problem fully. We must be ready to act ourselves. In the face of the almost certain deficit of two billions and a probable deficit of much more, I submit that our first job is to fry the extra fat out of our departments and agencies before we turn to more taxes.

Now, of the some \$43,000,000,000 of contemplated Government expenditures, there are certain fixed charges which cannot be reduced. Such are \$5,500,000,000 of interest on the public debt, perhaps \$5,000,000,000 more in payments to and care for veterans, and about \$2,500,000,000 in old-age assistance, old-age annuities, unemployment compensation benefits, children's allowances, etc. This leaves roughly about \$30,000,000,000 in reducible or controllable expenditures for

material and personnel. A 6-percent cut in these amounts would save a total of \$1,800,000,000. It has been estimated, I believe, by the able junior Senator from New Hampshire [Mr. TOWSE], that a tightening of the enforcement of our present revenue laws would yield at least half a billion more. If this is so, the 6-percent economy proposed, together with checking tax evasions, would save a total of \$2,300,000,000 and hence probably balance the budget unless we have a real drop in revenues.

Now, would this average cut of 6 percent in expenses work any real hardship? Here I should like to point out again that wholesale prices had fallen by the end of April to 5 percent below their level for November and 4 percent below their December level. A cut of this amount in monetary appropriations would, therefore, buy the same quantity of physical goods as was contemplated in the budget and would not entail any decrease in material. Thus, assuming that the fall in the price of strategic materials has been 5 percent, a reduction of 5 percent in the amount of money appropriated would not result in any decrease in the amount of strategic materials bought for stock piling.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. If the Senator is willing to risk his position on the floor by yielding to me, I should like to point out one common method of extravagance on the part of the Post Office Department. A clerk will stand in front of a window and pass out mail or write out money orders all day long. There is a space of about 3 square feet under the clerk's window where the floor becomes worn after, let us say, 3 years. Three square feet of new floor is required to replace the worn floor. I have never known of a case in which 3 square feet of new floor was put in to replace the worn floor. But I have known of cases where the entire floor, perhaps 50 feet square, has been ripped up, floor space which has not been worn at all except at the point where the clerk stands under the window. Yet that entire space has been renewed at a cost of several hundred dollars, whereas it would cost only a few dollars to put in a few new boards at the point where the clerk stands. That is an actual instance of where the Post Office Department wastes money. There are other cases in which it wastes money. That illustrates how the Department could save money. What I tried to point out to the Senator from New Hampshire [Mr. BRIDGES] was that if we give the Department orders to cut 5 percent off expenditures they are just as likely as not to make the cut where it will hurt the public most, and bring about the most recrimination against Congress. That is why I think the committee itself has got to spell out the economies which are to be made.

Mr. DOUGLAS. I thank the Senator from Vermont. I should also like to say that it is almost impossible for Members of the Senate to deal with the tens of thousands of items which are necessarily involved in a project such as this. About all we can do is to deal with total

figures, trusting that either the committee or the heads of departments or agencies will make the cuts where they are most needed, and at the same time try to preserve the vital services of the Government.

Mr. AIKEN. All the committee can do, after it has become aware of the practice of putting in an entire new floor when only 3 square feet are needed, is to cut the appropriation for that particular work. I do not know under what title it comes in the bill. There is too much of that sort of thing going on.

Mr. DOUGLAS. I think I have said enough to indicate that a cut of 5 percent would not mean any reduction in the quantity of material which the Government purchases, because the fall in wholesale prices has been equal to that amount.

I now ask whether the Senate and the country really believe that a reduction of 5 or 6 percent in the total number of Government employees would injure the services which the Government performs for its people. Is there not at least this amount of fat and excess in the Government as a whole? Can anyone really deny this?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LANGER. I wish the Senator would name some departments in which a reduction of 5 or 6 percent could be made. We have been hearing this argument for 2 years. Would the Senator make such a cut in the Veterans' Administration? Answer yes or no.

Mr. DOUGLAS. That is the question which is always turned on every budget-cutter. But I should be greatly surprised if the number of employees in the Veterans' Administration could not be reduced by 5 percent without injuring the essential services provided to veterans.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ELLENDER. I noticed in the press last week that the Veterans' Administration is planning a reduction of 8,000 employees.

Mr. LANGER. That is correct.

Mr. ELLENDER. It shows that it can be done.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield.

Mr. LANGER. Has the Senator seen the report of the American Legion and the other veterans' organizations, showing that the reduction is being taken from the poor GI's lying in hospitals? Some of the nurses are being taken away.

Mr. DOUGLAS. I do not want to take anything away from the ill veterans in hospitals, but I think frequently the welfare of the ill veterans is confused with the maintenance of excessive personnel, and that many crimes are committed in the name of maintaining services. That argument is used—not by the distinguished Senator from North Dakota, of course, but by others—as an excuse for the maintenance of excessive personnel. Excessive personnel is hidden behind the skirts of service to the suffering.

Mr. LANGER. I do not believe that any other Senator has gone into the matter more fully than has the senior Senator from Virginia [Mr. BYRD]. The Senator from Virginia started 4 years ago. The distinguished Senator from Vermont [Mr. AIKEN] was a member of the committee at that time. We finally passed the Byrd-Langer amendment, whereby the Bureau of the Budget had to cut a certain definite number of employees from every single department. In the beginning I felt somewhat as does my distinguished friend from Illinois. However, I went further. I made a motion to make a meat-axe cut of 30 percent. By the time the distinguished Senator from Virginia got through he convinced me, first of all, that it had to be done in an orderly manner; second, that it had to be done in a scientific manner; and third, that we ought to consider the circumstances in each case. In a place like Los Angeles, where there is an increase in population of roughly 125,000 people a month, more employees must be put on in the postal service, because the city is growing, and there is more postal business. When people move from the country to the city the rural mail carriers must be kept going, even though there are only 3 or 4 or 5 on the line, instead of 30 or 40. We cannot take off the rural mail carriers.

In my opinion, the Senator from Virginia has done a job for which the entire country owes him a debt of thanks. His work has been partly undone by the Congress. When we finally passed the Byrd-Langer amendment, which took off a certain definite amount every month—and that law has been in force, and the Bureau of the Budget has enforced it—what did we find Congress doing? We found, for example, that in connection with the Marshall plan there was no limit to the number of people who could be employed.

Mr. DOUGLAS. Mr. President, does the Senator wish to ask me a question, or make a speech?

Mr. LANGER. I am coming to the question.

In the matter of veterans, Congress specifically exempted employees of the Veterans' Administration from the effects of the Byrd-Langer amendment.

Apparently, the distinguished Senator from Illinois has made quite a study of this subject. I should like to ask him to name any department in which he would reduce the personnel by 6 percent.

Mr. DOUGLAS. It seems to me that virtually every department could be reduced by at least 6 percent. The Senator may remember a minority decision of the United States Supreme Court in the minimum-wage case. I think the opinion was written by Mr. Justice Holmes. He said that "what we know as men we cannot pretend to be ignorant of as judges." What we know as men about the excess staffing of Government departments we cannot pretend to be ignorant of as Senators.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. LANGER. Last year the Committee on Post Office and Civil Service,

now headed by the Senator from South Carolina [Mr. JOHNSTON], employed experts who went from department to department looking for some of the loafers. We had heard about men who put their feet on the desks and read newspapers, and about women who were knitting. I ask the Senator if he does not have confidence in the Committee on Post Office and Civil Service, which sent out experts, without anyone knowing that they were out, to try to find some of the loafers? I am sure the Senator from South Carolina will join me in the statement that we found that, aside from one department, none of the loafing about which we had heard so much existed.

Mr. DOUGLAS. I have been very careful not to make sensational charges.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield in a moment. All I say is that it seems incredible that there is not an excess of at least 5 or 6 percent in personnel in Government departments.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GREEN. I do not intend to make a speech. I assure the Senator that I wish to ask a question.

Does not the Senator believe that it is desirable to distinguish between the different kinds of expenditures which the Government makes? Some of them bring back returns in one way or another. Some of them are not expenses, but in fact investments. For example, take the case of the Bureau of Internal Revenue. For every dollar we spend on employees we get a return of between \$30 and \$50, and in some cases \$100. How can we denounce extravagance in such a department?

Take the Customs Service as another example. We have reduced the number of customs inspectors, and as a result have reduced the income of the Government. That is not economy. Does not the distinguished Senator from Illinois believe that we should distinguish between the various types of activity in which the Government is engaged, and not try to reduce them all?

Mr. DOUGLAS. I quite agree with the Senator from Rhode Island. He was not in the Chamber when I began my address. I congratulated the committee on having recommended the appropriation of funds which would add 7,000 additional agents to the Bureau of Internal Revenue. I said that I thought this was an investment which would more than pay for itself. In fact, it would pay for itself many times over. But when we deal with departments as a whole, departments which presumably have been brought into line with each other by the Bureau of the Budget, it seems to me that if we ask the head of the department, who presumably has the interests of the country at heart, to make a cut of 5 percent, distributed in those places which he knows best, he can do it infinitely better than we can.

Mr. GREEN. That may be true; but in giving him that direction should we not distinguish between the different kinds of activities? If we prescribe a reduction of 5 percent, and not more

than 20 percent in any division of the department, we make it necessary to make a reduction in all the divisions.

Mr. MAYBANK. Mr. President—

Mr. DOUGLAS. Let me reply to the Senator from Rhode Island before I yield to the Senator from South Carolina.

Mr. GREEN. I am seeking information.

Mr. DOUGLAS. Of course, I did not draft the amendment proposed by Senators on the other side of the aisle. I do not know that I am particularly defending that amendment. However, as I read it, it does not require a cut of 5 percent in each bureau. It requires a total cut of 5 percent for the Department, and then merely provides that the cut in any activity shall not be more than 20 percent.

Mr. GREEN. That is very true. If we apply the latter condition, it may make impossible the former. In other words, unless a cut of more than 20 percent were made in the appropriations for some governmental agencies, some reductions in appropriations would have to be made for all Government agencies.

Mr. DOUGLAS. Is the Senator from Rhode Island therefore contending that the proposed reduction in appropriations should be so increased so that it would be possible for us to cut the appropriations for certain governmental agencies more than 20 percent? If that is the position of the Senator from Rhode Island, I should be glad to have him propose an amendment to have cuts of perhaps up to 25 percent made in some appropriations.

Mr. GREEN. I am asking whether the Senator from Illinois agrees that it is the duty of Congress to distinguish between the appropriations for governmental agencies which bring in revenue and the appropriations for agencies of the Government which simply make expenditures.

Mr. DOUGLAS. Personally, Mr. President, when we are dealing with appropriation bills I find myself so overwhelmed by the magnitude of the appropriation figures, and so overwhelmed by the functions of the agencies concerned, that I am unable to pass intelligent judgment—I confess it—as to individual items of appropriations. But I am able to add, and I know that the Federal Government is going to be in the hole at least \$2,000,000,000 for the year 1949-50, and possibly three or four billion dollars, and in view of that situation, I think we must make some reductions somewhere in the appropriations. That is all I am saying.

Mr. MAYBANK and Mr. LANGER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. Mr. President, I find it difficult to make a choice as between yielding to my distinguished friend the Senator from South Carolina and my distinguished friend the Senator from North Dakota, both of whom are most persuasive in their requests that I yield to them.

Mr. MAYBANK. I should like to have the Senator yield to permit me to make a comment on the statement he has just made.

Mr. DOUGLAS. Then I yield first to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, let me say that I agree with the Senator from Illinois that we must make reductions somewhere in the appropriations. But so far as a 5-percent reduction in the appropriations under this bill is concerned, I wish the distinguished Senator from Illinois to know that when the committee concluded its action on this bill, I communicated with the Post Office Department and with the Treasury Department as to the proposed cuts, and in view of my information in this connection, I say to the Senator from Illinois that, if I correctly judge his views on the basis of the statements he has made, the cuts would be totally unsatisfactory to him.

Mr. DOUGLAS. Mr. President, I now yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, let me inquire whether the Senator from Illinois would favor decreasing the number of deliveries of rural mail, so that it would be delivered bi-weekly, instead of daily.

Mr. DOUGLAS. Mr. President, now the Senator from North Dakota is baiting a very artful trap for this new and unsophisticated Senator. [Laughter.]

Certainly I should like to have daily deliveries continued for the rural mail routes. However, of course we must bear in mind that those routes were laid out back in the horse-and-buggy days; so it would seem that today they should be consolidated or extended, now that delivery is made by automobile. I make that statement even though such a suggestion may bring down on my head the ire of the rural mail carriers. Nevertheless, I say that I think the rural routes in many cases could well be consolidated or extended.

Mr. LANGER. Mr. President, will the Senator yield further to me?

Mr. DOUGLAS. I shall be glad to have the Senator from North Dakota scatter his scented bait before the trap in his endeavor to have me direct my steps toward it. [Laughter.]

Mr. LANGER. Mr. President, I admire the Senator from Illinois too much to attempt to do that to him. I ask him whether he believes the average rural carrier can take care of more than 300 mail boxes a day.

Mr. DOUGLAS. Mr. President, I shall not go into the question of the exact amount of work a rural mail carrier should be expected to do. I am simply observing that the rural routes were originally laid out at a time when delivery was made by horse and buggy, at an average rate of speed of perhaps 4 miles an hour; but that today the deliveries are made by automobile, thus resulting in increased speed in covering the routes and making the deliveries. Therefore, in my judgment many of the rural routes could be consolidated, with a resultant great saving of money.

Mr. LANGER. Well, Mr. President—

Mr. JOHNSTON of South Carolina. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. Mr. President, it is always a delight to yield to the Senator

from North Dakota for a question, and, of course, I am always glad to yield to the Senator from South Carolina. However, now that I am besieged by both Senators with requests to yield, it is difficult for me to decide to which one I should yield first. Perhaps I should yield first to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I should like to call the attention of the Senator from Illinois to the fact that in the Post Office Department it has been the custom, in case of the death or resignation of a rural postal carrier, to make an investigation to ascertain whether the routes can be doubled up or consolidated. That has been done for many years.

I ask whether the Senator from Illinois knows—and in this respect I quote the testimony of Postmaster General Donaldson himself—that today the average length of a rural route is 50 miles, and some of them run as high as 90 miles in length.

Mr. DOUGLAS. Of course, that is quite possible.

May I ask the Senator from South Carolina a question in response to the question he has asked me: How many rural routes have been consolidated by the Post Office Department in the last 5 years?

Mr. JOHNSTON of South Carolina. I do not have that information at my fingertips.

Mr. DOUGLAS. Is it true that only a few hundred have been consolidated in the last 5 years?

Mr. JOHNSTON of South Carolina. In my own State, many of them have been consolidated.

Mr. DOUGLAS. I should like to ask the Senator whether he thinks the limit of consolidation has been reached.

Mr. JOHNSTON of South Carolina. I answer that question by saying that I do not believe the limit of consolidation has been reached, and I do not believe the Post Office Department would say otherwise. Certainly it is making such consolidations as rapidly as it possibly can.

Mr. DOUGLAS. Mr. President, of course I did not commence the discussion of the rural routes. I ventured into it only when the Senator from North Dakota, in his charming fashion, led me into it. [Laughter.]

But the discussion which has occurred thus far, together with the statement of the Senator from South Carolina [Mr. JOHNSTON], seems to indicate that a saving of more than 5 percent could be made in the appropriations for rural mail deliveries.

Mr. JOHNSTON of South Carolina. Mr. President, I did not make such a statement.

Mr. DOUGLAS. I know the Senator did not; but he said he thought the limit of consolidations had not been reached.

Mr. JOHNSTON of South Carolina. But I call attention to the fact that although there are fewer carriers, they are paid on a mileage basis, according to a law passed by Congress. So very little is saved as a result of making some consolidations.

Mr. RUSSELL. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I am glad to yield to the Senator from Georgia.

Mr. RUSSELL. I merely wish to observe in this connection that although I do not know the experience of other Senators, yet there has not been one case in my own State, so far as I know, of a carrier having resigned or retired that the people of the community and the prospective rural free delivery carriers have not besought my aid in seeing to it that no consolidation was made.

I do not know whether that has been the experience of other Senators.

Mr. DOUGLAS. I think it is also rather striking to consider the very large number of persons who wish to become rural mail carriers, and how frequently, at times, postmasters wish to give up their jobs to become rural mail carriers.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. I am very glad to yield to my distinguished friend and colleague from the State of Illinois.

Mr. LUCAS. I should like to have my distinguished colleague yield to me, to permit me to ask him how long it will take him to conclude the address he is delivering.

Mr. DOUGLAS. I shall finish it as rapidly as I can, of course. I hope to conclude in 12 minutes.

Mr. LUCAS. Will the Senator yield to me, to permit me to ask a question of the distinguished minority leader?

Mr. DOUGLAS. Certainly.

Mr. LUCAS. I should like to ask the distinguished minority leader how long he thinks it will take Senators on his side of the aisle to conclude their remarks on this bill.

Mr. WHERRY. Mr. President, if the Senator from Illinois will permit me to respond, let me say that I think there will be only one short speech from this side of the aisle, but I think probably more than one motion will be made in connection with the bill and amendments to it.

In view of the fact that other motions probably will be made, and no doubt they will require some debate, I would suggest that I do not think the bill can be disposed of within a short space of time.

Mr. LUCAS. Mr. President, in view of that suggestion by the able minority leader, I think perhaps as soon as the junior Senator from Illinois concludes his remarks, I shall ask the Senate to take a recess until tomorrow.

Mr. DOUGLAS. Then, Mr. President, in the interest of brevity, I shall omit certain portions of the speech I had intended to make.

Mr. LUCAS. Mr. President, I wish my distinguished colleague to understand thoroughly that I am in no way attempting to curtail or limit the admirable address he is making. Certainly he should continue with it just as long as he chooses.

Mr. DOUGLAS. I understand that entirely. I may say that I am distressed at the amount of time I have taken thus far. So I shall try to condense certain portions of the speech I had intended to make, and perhaps shall request to have

other portions placed in the RECORD, without actually being delivered by me.

Mr. President, I think a personnel reduction of from 5 percent to 6 percent can be made without inflicting any real hardship on governmental employees, if we proceed by the simple process of not filling all the vacancies which occur.

As I understand, the average death rate in the Federal service is between 2 and 3 percent and the average separation or shrinkage rate last year was around 25 percent. Assuming that the separations are distributed evenly over the year, that would mean an average shrinkage rate of 12 percent, if none of the separations were replaced by new hirings. By filling half of the vacancies, we would obtain an average reduction in force of 6 percent, or the approximate proportion by which we wish to have reductions made. Furthermore, in any organization there is a small percentage of drones whom the heads of the organization would like to drop. Unfortunately, today the procedures for firing such persons are, because of civil service rules, frequently so consuming of time and energy that section and division heads and bureau chiefs shrink from getting rid of them. I do not know how large such a group may be; but if one's experience with the military forces and with private organizations is any guide, it would be surprising if they are less than 2 percent. Getting rid of such drones would actually raise the output because it would create better morale and a greater will to work in the remainder of the personnel, although there are certain bureaus in departments where we could have variations in the percentage of the cut.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am very glad to yield.

Mr. LONG. I am sure the Senator realizes that in the Post Office Department, even if there is a deficit of approximately \$550,000,000 a year, the salaries of the Post Office employees have been raised since the war even more than that amount, and that that increase in salary was necessitated by the increased cost of everything since the war. On the other hand, the Post Office rates have had a very, very slight increase. I wonder whether the Senator would agree with me that the only way we are really ever going to wipe out the enormous Post Office deficit, or substantially reduce it in the long run, is to adjust rates somewhat in line with the service that is being rendered, just as everything else has had to be adjusted after the war.

Mr. DOUGLAS. I quite agree with that. If we were now in a period of severe depression, and if the country were gravely threatened by unemployment, I should be perfectly willing to have deficit financing and to expand public works in order to furnish employment. But we are not now in such a period. There are danger signals up, but we cannot be certain that a depression will occur.

Mr. President, I think I have said enough, therefore, to indicate that these

economies can be made without injuring the real services which the Government performs.

I submit that we must tackle this problem. But, except in rare instances, we cannot do so item by item. We just do not know enough to be able to pass judgment on the tens of thousands of items which appear in the 1,400-page budget which was submitted to us. It was to help us on precisely this point that the Congressional Reorganization Act called for the submission of a consolidated legislative budget. But for one reason or another we do not now have this before us and we must work on each of the appropriation bills as they are submitted to us. The sensible way is to propose given percentage cuts for departments and agencies as a whole and then let the administrators who presumably know their problems best decide how these cuts shall be distributed.

I favor the general outline of this plan. Although in the case of certain bureaus and departments where I think I have some special knowledge, I shall reserve the right to propose and suggest variations of these percentage cuts. For example, I think it will pay us many times over to have more agents in the Internal Revenue Bureau rather than less, and I want to congratulate the Committee on Expenditures for providing for this. But the general principle is, I think, clear.

IS WASTE THE PROPER WAY TO MAINTAIN EMPLOYMENT?

The only effective argument which I have heard against a reduction in Government costs is the contention that we are headed for a pronounced business depression during the coming year and hence, that the Government should not contract its payrolls and reduce the numbers employed since this would merely make business conditions worse.

I would reply in two ways to this. We do not know whether we are headed for a depression and, secondly, even if we are, we should not fight it by perpetuating waste, but rather by stimulating the production of much needed goods and services.

Despite the danger signs which are clearly evident, we should not conclude at this juncture that we are doomed to a severe depression. We all remember how, after VJ-day, virtually all the forecasters predicted that by the spring of 1946 there would be from 8 to 12 million unemployed. This did not happen. Then as late as 3 months ago, the predominant group of Government economists in Washington was proclaiming that the economic problem which we had to face was continued inflation. That turned out to be incorrect. Now it is being said, and apparently by some of those who a few months ago feared inflation, that we face another break like that of 1929.

It is, of course, possible that this may happen. But there is no clear proof that it will. Perhaps most reputable economists still believe that the coming year will either be one of moderate prosperity or moderate recession. It is too early to tell what will happen. Just as it would

have been a mistake to have launched a big public-works program in the fall of 1945 to avert unemployment which never occurred, just as it would have been a mistake to have applied deflationary tactics in January of this year, so I believe it would be a mistake now to conclude that a depression is inevitable.

We must make decisions on the budget in the next 6 weeks without knowing what kind of a year we are going to face. In military phraseology, we should be alerted for a depression, but we should not commit our reserves prematurely. That is about the worst mistake any military commander can make. Unless the bottom falls out of business during the next 6 weeks, therefore, I submit that we should try to balance the budget during the coming year and then hold ourselves in readiness to act decisively later should matters get greatly worse. For example, I think we should give the Federal Works Agency added funds to help to get definite blueprints drawn on some of our more important public works which could be used in a depression. At present such blueprints exist on the reserve shelf for only about four and one-half billions of projects—local, State, and Federal—while plans are incomplete for about \$60,000,000,000 more which are needed public works. We should be ready to act, but we should not act until the situation requires it.

Secondly, even if we do ultimately act to offset by increased Government expenditure a great decline in private employment, we should not do so by maintaining waste in government. We should instead seek to clear the slums, to build housing for the underprivileged, to construct more hospitals, and to conserve the soil rather than to maintain an excessive number of clerks, stenographers, and office staff. Waste does not add to the national wealth. By using up our margins of safety, it will instead make it more difficult for us to help the people who may really need help and will prevent us from stimulating the economy at the points where it needs to be aided.

If we do not try to economize at this time by reducing waste, we will put ourselves in the position of almost never doing so. In years of high prosperity, we will not economize because we will not need to do so, while in periods of depression it will be argued that the waste will be necessary to give employment. And in transitional periods we will be afraid to move lest we make conditions worse. I think the only answer is to be against waste at all times, but to adapt the rest of our program to business conditions.

I recognize that there are other decisive factors in the economic picture in addition to the reduction of Government administrative expenses. Among those are the following: First, the Government's economic program to encourage and maintain high levels of business investment and consumer purchasing power; second, the proper balance between military and civilian expenditures in the light of the demands of our foreign policy; third, the reorganization of the executive branch of the Government as recommended by President Truman

and the Hoover Commission; and, fourth, the wage, price, investment, and production policies of individuals in private business.

To these we must also give our most serious attention. Budget cutting is no substitute for wise action on these matters.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Florida for a question?

Mr. DOUGLAS. I yield.

Mr. PEPPER. I have the utmost respect and deference for the economic knowledge of my good friend from Illinois, and I profess to be no economist myself, but I should like to ask the able Senator whether this general tendency which has been manifested in the Congress toward a policy of what may be called economy is not likely to be contributory, if followed throughout the country, to a deflationary spiral which will tend to bring about the unemployment to which the Senator has already referred?

Mr. DOUGLAS. It is so contended, of course, by some persons, but I should say it would be more dangerous for us in a period which approaches normal to have an unbalanced budget and be compelled to float bonds to meet the deficit. That might have a worse effect on public confidence and impair business conditions, and would, in my judgment, hurt the community more than a reduction in expenditures at this time.

Mr. PEPPER. Mr. President, will the Senator yield to a further question?

Mr. DOUGLAS. I yield.

Mr. PEPPER. I am asking the able Senator only for information. Even a budget deficit and the necessity for deficit financing would have a tendency, would it not, to inflate the economy instead of to deflate it, and would it not constitute probably a contribution toward the retention of the present high level of employment we now have and be a force which would counteract some of the tendencies toward deflation which we observe already in the economy?

Mr. DOUGLAS. As I have said, if we should once be so unfortunate as to get into a severe depression, I believe the we should expand public works, create employment, and maintain purchasing power. But I think it is very dangerous for us at this period to proceed on the assumption that we are going to have a severe depression. We do not know whether that will be true or not. We will not know in the next 6 weeks as we make up our minds on the budget. I think we should only proceed for the present on the assumption that we shall have approximately normal conditions and that during that period the budget should be balanced. If, during the course of the summer, conditions should become worse and if we are summoned back into special session in the fall, as it is promised we shall be, I shall be perfectly ready to reconsider the subject then. But, as of this moment, it seems to me highly important that we should not strike at business confidence by unbalancing the budget.

Mr. PEPPER. Mr. President, if the Senator will allow a last inquiry, since we now have a level of prosperity which we have hardly ever approached in the past, and since we have a high level of employment, which has been the envy of our past, and if we now, by our public example and our public policy, give encouragement to these deflationary trends which are already popping up all over the country, is it not possible that we may later have to spend a great deal more money to get back up to this high level that we now enjoy in the economy than would be saved by the success of the policy to reduce expenditures, say, 5 percent.

Mr. DOUGLAS. I may say to the Senator from Florida that he can make a case for what he is saying, but I do not think he quite realizes the implications of his apparent contention. If what he says is true, we would be committed to an almost permanent policy of deficit financing, constantly spending more than we collect, in an effort to maintain business balance. I cannot believe that this is a healthy program. I would say that we should have deficit financing in periods of depression, but that in periods of prosperity we should have a surplus of receipts over expenditures and retire some of the debt which has been accumulated during the period of the depression. A continuous process of deficit financing would, I think, ultimately be disastrous.

Mr. PEPPER. Mr. President, I thank the Senator for his statement, but I would not wish the RECORD to appear to indicate that the Senator from Florida favored a continuous deficit financing except in times of great distress and abnormality. If I had to choose between the two horns of the dilemma of contributing to the deflationary trends that I observe in the country or levying an additional tax, I should rather levy the tax; and I believe it is a sounder public policy.

Mr. DOUGLAS. I do not want to keep the Senate in session unduly. I should merely like to say that while we should be alerted for a depression, we should not commit our reserves prematurely. Even if we ultimately act to offset contraction of private employment by increased Government expenditure, we should not do so by maintaining waste in Government. We should, instead, seek to construct positive public works which will be of benefit.

LIBERALISM OR CONSERVATISM HAS NOTHING TO DO WITH THE CASE

In conclusion I should like to point out that this is not a matter of liberalism versus conservatism. To be liberal, one does not have to be a wastrel. We must, in fact, be thrifty if we are to be really humane. We are not helping the slum dwellers, the under educated, and sick by supporting an excessive number of stenographers and clerks. We are, on the contrary, wasting money and personnel which, if saved, would remove some of these evils from American life. If by next fall unemployment should have risen to 5,000,000 persons, and if we are then in the midst of a severe economic depression, I would be willing at that time to consider the possibility

of launching a public-works program to help take care of the unemployed and to revive business. But we should not do this now. We should trim our sails for the moment so that we may be ready if the storm breaks. On the other hand, there are many conservatives who say they want to balance the budget but who in practice want each particular item in which they are interested to be increased. The budget issue is simply one of arithmetic and logic. Liberalism and conservatism, like "the flowers that bloom in the spring," have nothing to do with the case.

Nor is this a party issue. The same tendency to expand personnel exists under all administrations. It would be just as strong, I believe, were the opposing party to be in power. I think I have shown that I do not want to be partisan in my discussion, but it is not improper to point out that the deficit which faces us for the current year 1948-49 has been caused by the unsound tax-reduction program of the Eightieth Congress, in the midst of an inflationary spiral. If the previous tax rates wisely supported by President Truman had been maintained, the prospective income for the coming fiscal year would have been sufficient, I believe, to meet the deficit now present for 1949-50. Although, of course, it would still have been desirable to eliminate waste. For critics of the President's Fair Deal program, many of whom voted for these tax reductions in 1948, to lay the main blame for the present fiscal situation upon the administration's housing, education, and welfare proposals, is hardly just.

I have concluded, however, that we do not have two parties, but rather three, which are struggling here on Capitol Hill. In addition to the Republicans and the Democrats, we have officialdom, or what is vulgarly termed the bureaucrats. This third party, operating as it does through both of the old parties, tends ever to want more and more and more. The officials may do it with the best of motives, but that is their tendency. But we represent the people, and the interests of the people demand at this time a balanced budget to be obtained through a reduction in waste. In this battle of the people versus officialdom, our place is on the side of the people.

GOVERNMENT OFFICIALS MUST COOPERATE

When a family gets into trouble and begins to run into debt, the father and husband, if he is wise, will call the other members into a family conference and will lay the facts before them. Then if the children are of the right stuff, they will all tighten their belts, cut down on their less essential expenditures, and seek to increase their income. That is what we are asking officialdom to do. We are saying this to them:

In order to defend our country against threatened aggression, in order to help our less fortunate citizens and to preserve the financial soundness of our Government, please get under the load and help us. Instead of always asking for more, see if you cannot get along with less. Every bit of waste in our armed forces makes it that much more difficult for us to rearm the western democracies. Every bit of waste in our civil branches makes it that much more

difficult for us to clear the slums and to provide better housing, health, and education to the unfortunates who need help the most. Get under the load with us and help us to bring this country of ours through its difficulties.

We can do it if we will only pull together, but we shall all need to be clear-headed, courageous, and determined to put the national interest first. If we do so ourselves, we are justified in asking the administrators that they do likewise. They now have the chance to prove they are worthy of our trust and that the bitter attacks which are often made upon them are untrue. I, for one, have confidence in them. We shall be grievously disappointed if they fail. That is why I think we must reduce wasteful expenditures and do our best to balance the budget.

Mr. TAFT. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an article from the New York Herald Tribune entitled "Advisers Bid Truman Ease Tax Demands" and an article appearing in the Washington Post today entitled "Advisers Ask Truman To Hold Spending Down."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune]

ADVISERS BID TRUMAN EASE TAX DEMANDS—
ECONOMIC COUNCIL URGES LESSER GOAL—
OPPOSES TRANSPORTATION LEVY ON GOODS
AND NEW PUBLIC WORKS SPENDING

WASHINGTON, May 9.—President Truman's economic advisers have suggested that some existing tax burdens be lightened and that the administration scale down its request for \$4,000,000,000 in new levies, responsible officials said today.

The Council of Economic Advisers was reported also to feel that current business trends justify a checkrein on Federal spending to bring the budget closer to balance.

The council delivered its April report to the White House last week. It has not been made public, but it was learned that it suggested the lowering or removal of some excise taxes. Such levies as the tax on transportation of goods, in the council's opinion, add to business costs and consumer prices and impede on orderly withdrawal from the postwar business boom.

LESSER GOAL IS URGED

The advisers suggested that consideration be given to accepting a lesser goal than the \$4,000,000,000 tax increase. Mr. Truman has suggested that this money be raised mostly from corporations and, perhaps, from middle and upper individual income brackets.

The council did not recommend at this time the launching of an expanded public works program, an authoritative source disclosed. The advisers have consistently urged that Federal and local governments prepare shelves of public work blueprints for use when needed to bolster employment and public purchasing power. But the present trend of the economy, which the council's chairman, Dr. Edwin G. Nourse, calls a healthy disinflation, does not warrant large-scale works spending now, the council feels. Such outlays would make it harder to reach the goal of lower Government costs.

The three-member council, Dr. Nourse, Vice Chairman Leon Keyserling, and Dr. John D. Clark, were reported to be in substantial agreement on the April size-up of the economy.

While there may have been some conflict of views, it was indicated there was no such outright split as occurred early in the year

when Mr. Keyserling and Mr. Clark outvoted Dr. Nourse in advocating passage of standby anti-inflation controls.

ADVICE TO TRUMAN

After a White House visit last Tuesday Dr. Nourse informed newsmen that the council expects some further easing of living costs. He said prices are continuing downward but not on a demoralizing basis, and that there is no need to dig into the storm cellars.

He did not divulge the council's advice to Mr. Truman. As now reported, that advice was:

It would be unwise to plunge into red-ink financing. But an effort to avoid it by sharply boosting taxes might hinder the attempts of business firms to adjust their prices to the weaker market and keep their plants running at high capacity. The safer course would be to trim Federal spending.

On the tax question, the council reportedly suggested that study be given these policies:

1. Reducing those wartime excise taxes which basically affect business operations and which produce only a comparatively small amount of revenue. The 3 percent levy on air, land, and water freight, for instance, pyramids costs because it applies anew at each step from the mine or mill to the consumer.

2. Delaying the date of the proposed increase in the social security pay roll tax from July 1—as proposed by administration leaders—to the presently scheduled date, next January 1. The levy, shared by workers and employers, bites directly into pay checks and heightens business costs.

3. Accepting a lesser goal than the \$4,000,000,000 tax increase which Mr. Truman asked in January. Some officials hold that such a tax boost now might eat up private capital needed for industrial expansion, or cause business to retrench so severely that the healthy disinflation might skid into a serious recession.

No major part of the economy is now in serious trouble, the council is understood to believe, but hazards exist which will bear watching—including the possibility of a heavy fourth round wage increase and large crop surpluses.

The impression was given that the council approves the policy of the Senate Finance and House Ways and Means Committees in the watchful waiting before taking action to raise taxes or lower them.

Mr. Truman's budget report in January predicted a deficit of \$600,000,000 for fiscal 1949, ending next June 30. It foresaw a deficit of \$873,000,000 in fiscal 1950. Some private economists believe the 1949 deficit may be somewhat larger and the 1950 deficit much greater than the budget forecast.

[From the Washington Post of May 10, 1949]
ADVISERS ASK PRESIDENT TRUMAN TO HOLD
SPENDING DOWN

(By Sterling F. Green)

President Truman's Council of Economic Advisers favors a checkrein on Federal spending to bring the budget closer to a balance, responsible officials said yesterday.

As far tax increases, the council is reported to have suggested it might be well to accept a "lesser goal" than the \$4,000,000,000 for which the President has been asking.

The April report of the council, drafted in the light of current business trends, was delivered to the White House last week. It suggested the removal or lowering of some Federal excise taxes, it was learned.

Such levies as the tax on transportation of goods, in the council's opinion, add to business costs and consumer prices and impede an orderly withdrawal from the postwar business boom.

The council did not recommend at this time the launching of an expanded works program, an authoritative source disclosed.

The advisers have consistently urged that Federal and local governments prepare "shelves" of public-work blueprints for use when needed to bolster employment and public purchasing power.

But the present trend of the economy—which Council Chairman Edwin G. Nourse calls a "healthy disinflation"—does not warrant large-scale works spending now, the council feels. Such outlays would make it harder to reach the goal of lower Government costs.

The three-member Council, Dr. Nourse, Vice Chairman Leon Keyserling, and Dr. John D. Clark, was reported to be in substantial agreement on the April report.

While there may have been some conflict of views, it was indicated, there was no such outright split as occurred early in the year when Keyserling and Clark outvoted Nourse in advocating the passage of stand-by anti-inflation controls.

He did not divulge the council's advice to Mr. Truman. As now reported, that advice was:

It would be unwise to plunge into red-ink financing. But an effort to avoid it by sharply raising taxes might hinder the attempts of business firms to adjust their prices to the weaker market and keep their plants running at high capacity. The safer course would be to trim Federal spending.

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1. Reducing those wartime excise taxes which basically affect business operations and which produce only a comparatively small amount of revenue. The 3 percent levy on air, land, and water freight, for instance, pyramids costs because it applies anew at each step from the mine or mill to the consumer.

2. Delaying the date of the proposed increase in the Social Security pay-roll tax from July 1—as proposed by administration leaders—to the presently scheduled date, next January 1. The levy, shared by workers and employers, bites directly into pay checks and heightens business costs.

3. Accepting a lesser goal than the \$4,000,000,000 tax increase which Mr. Truman asked in January. Some officials hold that such a tax increase now might eat up private capital needed for industrial expansion, or cause business to retrench so severely that the healthy disinflation might skid into a serious recession.

No major part of the economy is now in serious trouble, the council is understood to believe; but hazards exist which will bear watching—including the possibility of a heavy fourth round wage increase and large crop surpluses.

AMERICAN POLICY TOWARD SPAIN

(During the consideration of the Treasury and Post Office Departments appropriation bill there ensued the following debate which, on request of Mr. MAYBANK and by unanimous consent, was ordered to be transposed to this point in the RECORD:)

Mr. McCARRAN. Mr. President, during this week there will be a most momentous vote taken in the United Nations, in which the question of full recognition of Spain will be involved. Spain, which from time immemorial has been a civilized Christian nation, friendly to America and a country with whom America has been friendly, is now in the balance before the United Nations. It has been extremely difficult for some of us to understand why it was that our

country, through the State Department, seemed to be stymied in regard to diplomatic recognition of Spain. The question was put to the Secretary of State only a few days ago as to whether, when this country endorsed and accepted the charter of the United Nations and became a member of that organization, we did away with or fettered ourselves against individual action regarding diplomatic relations. It would appear from the attitude of the Secretary of State, if we can construe his attitude at all, as he appeared before the Committee on Appropriations in connection with the State Department appropriation, that he either does not know or is silent on the subject of whether this country has its hands tied; has its tongue tied, and has its attitude tied toward diplomatic recognition of other countries of the world.

We are within a few days to vote on a grave subject, namely, whether we shall ratify and become a party to the North Atlantic Treaty. If we are to become a party to it, if the Senate is to endorse that great project, and I am one who hoped that it will, then certainly—and I need go no further than to quote the Secretary of State before the Appropriations Committee—Spain would be a most essential element in the North Atlantic Treaty—essential from a military standpoint, essential from an economic standpoint, essential from a diplomatic standpoint, indeed, essential from every standpoint to the welfare and successful operation of the treaty, and, indeed, to the welfare of the democratic, liberty-loving, God-fearing peoples of the world.

Mr. President, what gives rise to the thought which I am trying to express before the Senate is a most able article by one of America's foremost columnists, Mr. John O'Donnell, under the caption "Capitol stuff." I ask unanimous consent that the clerk may read the article to the Senate at this time, in order that I may discuss it after it has been read.

Mr. MAYBANK. Mr. President, I wish the Senator would not ask that at this time because we are trying to conclude consideration of the Treasury-Post Office Department appropriation bill. It was distinctly understood with the chairman of the subcommittee, the chairman of the full committee, the Senator from Wyoming, and the Senator from Rhode Island that we would proceed with that bill, and then would immediately resume consideration of the District tax bill. I stated that if other matters were taken up by unanimous consent, I would agree to a resumption of consideration of the District tax bill. If a long article is to be read by the clerk and discussed at some length by Senators, it will delay everything we had in mind. I, therefore, wish the Senator would not ask for it at this time.

Mr. McCARRAN. The Senator is too apprehensive. It is not going to be a long discussion. It will not take as long as the Senator thinks. But it is timely, in the judgment of the Senator from Nevada, that the matter be brought before the Senate, in view of the vote that is to be taken in the United Nations within a very short time.

Mr. MAYBANK. Mr. President, will the Senator yield? Reserving the right to object—

Mr. McCARRAN. The Senator reserves the right to object to what?

Mr. MAYBANK. I have no question with the Senator from Nevada as to the propriety of his bringing up the subject again at this time. In fact, I read the greater part of his statement before the Appropriations Committee. I may say that with some of it I agree. But will the Senator give us an idea of how long the reading of the article and the ensuing discussion will take?

Mr. McCARRAN. I cannot imagine that it will take very long, and I have no doubt the Senator will be able to get his bill through within a very short time, and then resume the former order of business, namely, the proposed sales tax for the District of Columbia. I have no doubt the Senator will be able to proceed with expedition.

Mr. MAYBANK. Does the Senator believe it will take more than an hour?

Mr. McCARRAN. I should not care to hazard a guess about that, because other Senators may want to join in and give their expressions. I have the floor. I do not want to be captious with the Senator—

Mr. MAYBANK. I understand the Senator has the floor; but the Senator asked unanimous consent to have an article read by the clerk. That is why I reserved the right to object. My desire was to find out from the Senator from Nevada how long he thought it would take.

Mr. McCARRAN. I do not think it will take very long. That is my judgment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? The Chair hears none, and the clerk will read the article in question.

The legislative clerk read as follows:

CAPITOL STUFF

(By John O'Donnell)

WASHINGTON, D. C., May 9.—The distinguished diplomatic thinkers in the State Department just couldn't make up their minds last week about Spain.

They were so utterly coy and artful about the situation that nobody would take responsibility for a United States vote in the United Nations on the resolution to resume normal diplomatic relations with Madrid and thereby cancel out the old Moscow anti-Spanish blackball of December 1946.

As a result of hand-wringing indecision, the boys are once more on the hot spot before the Senate. And it serves them right.

Now, when the State Department is pleading for Treasury millions to conduct global operations, the abstention by the United States gives the Department's Senate foes on the Appropriations Committee another chance to put Acheson and his associates over the barrel.

And this is what's going to be done—according to committee members McKellar, of Tennessee, and McCARRAN, of Nevada.

SIXTEEN NATIONS REMAIN ON THE SIDE LINES

The roll call at Lake Success on the Spanish UN resolution which "would leave member states full freedom of action as regards their diplomatic relations with Spain" showed approval by the Political Committee of the General Assembly by a vote of 25 to 16. Sixteen nations, including the United

increase in second-class mail rates, "perhaps as much as 50 percent over present rates, plus withdrawal of the free-in-county privilege."

Those who have opposed increased rates for third- and fourth-class matter have indicated that unless second-class mail matter is made to bear more of the burden there is no justification for increasing the rates on other classes of mail. There is some merit to this argument, but, nevertheless, the Department feels that there should be increases in the present rates on second-, third-, and fourth-class mail, and that these rates should be such as would distribute the cost of the postal service in the places where it belongs. In other words, there should be some equalization, and higher rates on certain classes of mail should not be made in order to eliminate the large deficit in the handling of second-class mail.

The rates recommended on third-class mail (circulars) and on fourth-class mail (parcel post) are fair. The loss in the handling of third-class mail this year will be approximately \$129,000,000, and there is no justifiable reason why such class of mail should be handled at 1 cent per piece where the cost of handling is equal to that of handling first-class letter mail.

There is urgent need also for raising the rate on Government postal cards and private mailing cards from 1 to 2 cents. The cost to the Department is approximately 2.6 cents to handle this class of mail, and there is no reason why the rate should not be raised to 2 cents apiece and the bulk-mail privilege eliminated.

TREASURY AND POST OFFICE DEPARTMENTS, ETC., APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] for himself and the Senator from New Hampshire [Mr. BRIDGES] to suspend the rule in order that a certain amendment may be offered.

Mr. FERGUSON. Mr. President, the motion before the Senate is similar in words and figures to that made with respect to the social-security appropriation bill. That bill is now, in effect, on the table because of a motion to reconsider the vote by which the bill was re-committed.

I realize that one who in the past decade or so has advocated economy in government has been on the unpopular side. Nevertheless, it is a problem which faces us. Even though economy in government is unpopular, it is vital to the interests of the American people.

This being a representative Government, those who come here to represent the people of the States must decide the issue as to what shall be expended for the purpose of operating the Government of the United States. The Government itself has no money. Its only source of revenue is the citizens of the various States who, of course, under the Constitution are citizens of the United States. As we face this problem we are always reminded that if we cut the expenses of government we shall of necessity reduce the salaries of Government employees and/or reduce the num-

ber of employees. I think it is clear that we must determine the amount of money we can raise, and then determine what services we can get for the money we are able to raise to operate the Government.

Two days ago it was reliably reported that the economic advisers to the President asked him to hold down spending. That report has not yet been officially released from the White House, but it has been stated in the press that it has been unofficially rendered to the President. I anticipate that in due time the President will release the report which was made to him, whether it was made in conformity with his previous political promises or not, because after all, the money which we raise must come from the citizens of the country, and it is to be used to render services to them.

We realize that there is no department which comes before the Committee on Appropriations which does not insist that even the amount allowed by the President in the budget is inadequate to operate the department. Half an hour ago, in an open committee meeting, the Chairman of the Federal Communications Commission was asked whether the Appropriations Committee should attempt to distribute a 5-percent cut in the appropriation, or whether he would prefer to apply the cut in the manner that he saw fit, knowing how much he could have. Naturally he favored the course which is outlined in this motion.

But, Mr. President, he did raise his voice and say that his Commission could not take any cut, that the amount in the budget was too small. As I say, everyone who operates a department or bureau with thousands of employees insists that he cannot take a cut. But the time has come when cuts must be made, for we are informed that the President's Council of Economic Advisers has told him that the cost of government must be reduced sufficiently to bring the expenditures of the Government within its income.

Mr. President, as I have said, there are those who insist that if reductions are made in the appropriations, it will be necessary either to reduce the pay received by Government employees or reduce the number of Government employees. Therefore, as we contemplate making reductions in the appropriations for the Post Office Department, it is stated by some persons that reductions in the postal appropriations, if made, must result in either a reduction in the pay of the postal employees or a reduction in the number of postal employees. The statement is made on the floor of the Senate, "We cannot cut the appropriations for the Post Office Department, for already it is operating at a deficit." It happens that the Post Office Department is one agency of the Government which has an income; it has a revenue from the services it renders to the public. Yet today it is operating at a deficit. There are many other departments of the Government which have no particular income from the services they render; they operate at what might be called a total deficit, insofar as any income is concerned. However, it is specifically stated on the floor of the Senate that we cannot

make reductions in the appropriations for the Post Office Department because it is already operating at a deficit.

In that connection I wish to refer to the report of the Hoover Commission's task force on the Post Office Department, known as appendix 1, filed with the Senate in January 1949. I should like to read a few of the statements contained in that report. On page 66, part V, under the heading "Costs and savings," I read the following:

Based on broad experience in business and industry, and predicated on knowledge of what has been done in commercial operations, the study of the Post Office Department indicates that total annual expenditures in post offices having receipts of over \$1,000,000 per year can be reduced by \$90,000,000 if operations are placed under better management control.

The report singles out the large post offices having receipts of over \$1,000,000 a year, and after making a study of the matter, the task force says that in those post offices alone, if operations are placed under better management control, a saving of at least \$90,000,000 can be made.

Now I wish to refer to the report of the House committee, which had something to say about the deliveries of mail. On page 16 of the report we find the following:

There is a wide discrepancy at the present time in city delivery service, particularly in residential areas, with the deliveries ranging from one to three per day. It is the belief of the committee that the Department should maintain a continuous check of this situation with the idea of effecting every possible economy. The committee is not taking the position that all residential areas should have only one delivery a day; neither is it convinced that three deliveries a day are required in all residential areas now enjoying that service. Mail volume should be the controlling factor in determining that more than one delivery per day is necessary.

Mr. President, that statement indicates the sort of things the Hoover Commission's task force was talking about.

I read further from its report, on page 66:

If postal volume and the general level of all costs continue to rise, these excessive expenditures will become even greater in future years. In order to achieve the indicated savings, however, it will be necessary to expend annually an amount which should not exceed a peak of \$8,000,000, plus minor capital expenditures, for the modernization program recommended in part V. This will leave net savings of over \$80,000,000 per year at present volume and at current wage and salary levels.

So, there could be savings of over \$80,000,000 a year at the present volume and at current wage and salary levels.

Then the report states:

In addition to the foregoing net savings of \$80,000,000 annually, it is conservatively estimated that further annual savings of at least \$60,000,000 are possible from improvements in methods and equipment requiring extensive development or major capital expenditures.

I wish to call attention to the last statement appearing on that page:

No one item of savings will be spectacular in itself. The measure of operating improvement in the Postal Establishment will be the cumulative effect of many individual savings leading to a very substantial total. Because of the continuing growth in the

postal business (it doubled on the average every 11 years for 80 years prior to 1929 and doubled again in 14 years from 1934 to 1948) it is unlikely that any reduction in total expenditures will take place. Instead, the estimated savings will show up in improved productivity of the present organization and a reduction in the rate at which the organization must grow to meet the increasing volume of business.

Mr. President, I ask unanimous consent that all of part V of the Hoover Commission's task force report on the Post Office Department be printed at this point in the RECORD.

Mr. McMAHON. Mr. President, I am sure it is understood that the matter to be printed in the RECORD will appear in fine type; is it not?

Mr. FERGUSON. Yes. The RECORD will indicate that the statements come from the official report of the Hoover Commission's task force studying the Post Office Department.

The VICE PRESIDENT. Is there objection?

There being no objection, part V of the report was ordered to be printed in the RECORD, as follows:

V. COSTS AND SAVINGS

Based on broad experience in business and industry, and predicated on knowledge of what has been done in commercial operations, the study of the Post Office Department indicates that total annual expenditures in post offices having receipts of over \$1,000,000 per year can be reduced by at least \$90,000,000 if operations are placed under better management control. If postal volume and the general level of all costs continue to rise, these excessive expenditures will become even greater in future years. In order to achieve the indicated savings, however, it will be necessary to expend annually an amount which should not exceed a peak of \$8,000,000, plus minor capital expenditures, for the modernization program recommended in part V. This will leave net savings of over \$80,000,000 per year at present volume and at current wage and salary levels.

In addition to the foregoing net savings of \$80,000,000 annually, it is conservatively estimated that further annual savings of at least \$60,000,000 are possible from improvements in methods and equipment requiring extensive development or major capital expenditures. Development and perfection of the necessary methods and equipment would be carried on within the organization recommended in part V, the cost of which is included in the \$8,000,000 mentioned above. Authorization of the capital investment required for widespread application of perfected improvements should, of course, be dependent on prior demonstration of their practicability and money-saving value.

The increased expense required to make possible the estimated savings will be occasioned primarily by adoption of the recommendations dealing with organization, financial and accounting control, control of costs and methods, and personnel administration. The maximum annual expenditure of \$8,000,000 will not be reached for several years because a number of the recommendations, particularly those concerned with cost controls and methods improvements, will require time for planning, development, and gradual installation.

The length of time which will elapse before the peak of expense is reached will depend on the energy with which the program is pursued, but it will probably not be less than 3 years. Conversely, the estimated savings to be achieved will not reach peak level until the program is in full operation.

No one item of savings will be spectacular in itself. The measure of operating improve-

ment in the postal establishment will be the cumulative effect of many individual savings leading to a very substantial total. Because of the continuing growth in the postal business (it doubled on the average every 11 years for 80 years prior to 1929 and doubled again in 14 years from 1934 to 1948) it is unlikely that any reduction in total expenditures will take place. Instead, the estimated savings will show up in improved productivity of the present organization and a reduction in the rate at which the organization must grow to meet the increasing volume of business.

It should be noted that the estimated additional expense for the Post Office Department will not represent \$8,000,000 added expense for the Federal Government as a whole because of estimated savings on the order of \$2,000,000 annually which will be reflected in the expense of the General Accounting Office and the Civil Service Commission by adoption of recommendations in this report bearing on their operations.

All the advantages to be realized by the Post Office Department by adoption of the proposed modernization program cannot be measured in dollars alone, nor can all of the financial gains be estimated at this time. Gains will also accrue from such factors as:

1. Better financial control.
2. Better management through on-the-scene direction of field operations.
3. Better recruitment of personnel.
4. Better training of postal workers and supervisors.
5. Better utilization of transportation facilities.
6. Better commercial practices.

After all possible savings in postal operations are effected, however, there will still remain a large deficit. Of major importance, therefore, will be the fact that adoption of the recommendations herein will provide more facts upon which to base consideration of adjustments needed in rates and classifications in order to bring revenues and expenses more nearly into balance.

In the last analysis, implementation of the proposed program will require additional annual expenditures of about \$6,000,000 by the Federal Government. This amount will represent less than one-half cent of every dollar of postal revenue, and should be repaid many times over.

Mr. FERGUSON. Mr. President, I call attention to the findings of the task force of the Hoover Commission in order to demonstrate that the proposed reduction of 5 percent in the appropriations for the Post Office Department would not require the Postmaster General to attempt to do the impossible. It is apparent that reductions in the expenditures of the Post Office Department can be made, and if we are to make such reductions in its appropriations, Senators should not insist upon the point of order, but should allow the Senate by majority vote to determine the amount of the appropriations for the Department.

In this connection, Mr. President, I may point out that four other Senators and myself have proposed to the rules of the Senate an amendment which would permit the Senate by majority vote to determine a question of this kind. That proposal is now before the Committee on Rules and Administration. It is obvious that it is difficult to find a scientific method, shall we say, of requiring the man who is in charge of the particular service to make the necessary cuts or reductions. Of course, to some branches of the Department he might choose to allow the full amount appro-

priated for their purposes, but he might determine that he could make cuts of up to 20 percent in the funds allowed to other branches of the Department.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I am glad to yield.

Mr. SALTONSTALL. Is not that particularly true of the Post Office Department, which is dependent upon the volume of business, so that if one section of the country has perhaps a recession in business and the volume of post-office business in that section falls off, the Postmaster General and his aides have a peculiar opportunity for taking advantage of cuts through administrative ability?

Mr. FERGUSON. I agree with the Senator from Massachusetts. I think that is true in the case of an income-producing department such as the Post Office Department. The Postmaster General would be allowed to determine from time to time whether he could cut more in one branch of the service than in another, rather than the committee at this date determining where reductions should be made. I think that is the scientific way to do it.

There is another way of doing it, of course, that would not be subject to the point of order. That is for the Congress to make a flat cut of 5 percent, or to say to the department, in substance, "You may use 95 percent of a particular fund." That would leave no discretion to the particular department. It would have to use 95 percent of a given fund appropriated for it. Such a method would not permit the use of discretion, which is a scientific way of handling the matter, because we realize that some departments may have increases in income, and others decreases, and they would be in better position to make the determination.

Having spoken before upon this subject, I wanted to call attention to the particular statements in the task force report which I have quoted and to ask the Senate to consider them. A two-thirds vote is required to adopt the motion to suspend the rule, but I hope the Senate will give the two-thirds vote, so that in passing this bill we may follow the suggestions of those who are advising the President that there should be a cut in the expenditures of government, that taxes should not be increased, and that deficit spending should be avoided.

Mr. LANGER. Mr. President, yesterday three different Senators stated upon this floor that they were examining the Post Office Department; one of them, in the Committee on Expenditures in the Executive Departments. The committee was having a long and extended hearing, in order to see how much could be saved.

I hold in my hand the La Follette-Monroney Act, and I call particular attention to paragraph 3, page 15, relative to the duties and powers of the Committee on Post Office and Civil Service, which reads as follows:

3. The postal service generally, including the railway mail service, and measures relating to ocean mail and pneumatic-tube service; but excluding post roads.

I understand perfectly well of course what the attitude was last year, when

the Committee on Post Office and Civil Service spent many weeks considering questions affecting the Post Office Department and salaries. The committee meetings were well attended. As I recollect now, we always had a quorum. The proceedings were published, and it took nearly 800 pages of what we call the green book to cover the testimony. When we finished, the distinguished chairman of the Appropriations Committee walked in one morning, without having consulted, so far as I know, a single member of the committee, and said, "The Republican policy committee has met. You are going to have so much money and no more." The Senator did not inquire as to what the evidence showed. I believe he cared less. Of course I protested to the Republican policy committee.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BRIDGES. I did not know the chairman of the Appropriations Committee during the 2 years of the Eightieth Congress had that much influence. I am glad I was effective, if I was in undertaking to keep down the cost of government.

Mr. LANGER. I may say to my distinguished friend that when the distinguished Senator appeared we took a record and a transcript. If the Senator is interested in having the transcript read upon the floor of the Senate, of course I shall be glad to get it. But I think the Senator will admit that he did not approach a single member of the committee, certainly not the chairman of the Committee on Post Office and Civil Service. He walked in one morning about 10:30 and said, "There is so much money available, and that is all you are going to get. That is exactly an amount not to exceed one-half billion dollars."

Mr. BRIDGES. I do not recall. I remember being there, and I remember questioning the committee on going overboard in the expenditure of money. If it had some effect, I am very greatly pleased, but I did not realize that it had had that effect. If the distinguished Senator says it did, I accept his statement.

Mr. LANGER. I want to say to my friend that it did not have any effect on the Senate Committee on the Post Office and Civil Service, but unfortunately it had some effect on the House of Representatives. The result was, when we met in conference, the distinguished Senator from Vermont [Mr. FLANDERS] chairman of our subcommittee, was met, as was the Senator from Ohio in connection with two or three of his bills, including housing and Federal aid to education with a determined position by the House managers. They simply sat down and said, "When you are ready to vote for what we have agreed on, we will vote with you. If you do not vote for this, you will get nothing." The distinguished Senator from Vermont and the other Senate conferees took what the House managers were willing to give us; which of course,

as the Senator knows, was in many instances entirely inadequate.

Mr. BRIDGES. Mr. President, if the Senator will yield, I may say I have observed him in action and have noted his ability. I saw the Senator one day on the floor of the Senate get \$12,500,000 for a certain project. I have not observed that the Senator is at all bashful in endeavoring to get what he wants.

Mr. LANGER. I may say to the Senator, that is the best \$12,500,000 that has been spent in behalf of the farmers in submarginal areas for a very long time. For example, it is going to wipe out typhoid fever.

Mr. BRIDGES. How is it going to wipe out typhoid fever?

Mr. LANGER. It is going to do that by reason of the fact that on some of the submarginal farms the water supply is too near to the toilet facilities, as the Public Health Department has reported at various times.

Mr. BRIDGES. On the great farms in North Dakota, is there not space enough so that the water can be drawn in one place, and the toilet facilities be located in another place?

Mr. LANGER. I am not discussing alone the farms of North Dakota. I am also discussing the farms of New Hampshire, which I understand are very small, and where land is at a great premium.

But I want to return to the La Follette-Monroney Act, with reference to the powers and duties of committees, in which, in the case of the Committee on Post Office and Civil Service, it is provided:

3. The postal service generally, including the railway mail service, and measures relating to ocean mail and pneumatic-tube service; but excluding post roads.

I am sorry the junior Senator from Michigan is no longer present. I have here the testimony of Mr. Jesse Donaldson, Postmaster General, given yesterday before the Committee on Post Office and Civil Service. It will be remembered the Post Office Department is being criticized, yet, yesterday, Mr. Donaldson had this to say:

I am inclined to ask, where is the waste? What suggestions have been made for streamlining the postal service? What do they suggest we do to decrease the cost? What is the modernization they imply we should adopt? What substitutions do they offer for the human eyes, hands, legs and brains so necessary to perform the particular functions peculiar to the postal service?

I am delighted to see the Senator from Michigan is now present. I am reading from the testimony of Postmaster General Donaldson, given yesterday. I shall start again. I am reading a portion of his testimony which I think is material. He says:

Where is the waste?

Did anybody appear before the Committee on Post Office and Civil Service to point out a single bit of waste? Mr. Donaldson continued:

What suggestions have been made for streamlining the postal services?

Was anybody there, offering any suggestions?

Mr. Donaldson asked:

Where is the waste? What suggestions have been made for streamlining the postal service?

Did anyone offer any suggestions?

He asked, further:

What do they suggest we do to decrease the cost?

Did anyone offer any suggestions?

He asked, further:

What is the modernization they imply we should adopt? What substitutions do they offer for the human eyes, hands, legs, and brain so necessary to perform the particular functions peculiar to the postal service.

Mr. President, who is to blame if there is a deficit? It goes right back to the Eightieth Congress. There was a bill introduced last year to compel such magazines as Life, Time, Fortune, and News Week, to pay what they should pay. It was shown that the taxpayers paid a subsidy of \$9,000,000 a year for the benefit of the magazines I have mentioned. Our committee reported the bill. In the discussion of the Marshall plan there was an item of \$10,000,000 inserted so that Life, News Week, Fortune, and Time magazines could send their literature into foreign countries.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Louisiana.

Mr. LONG. Does the Senator agree with me that one of the most wasteful things in the entire Post Office Department is the ridiculous amount paid as a subsidy to air lines?

Mr. LANGER. That is correct.

Mr. LONG. The only thing Congress can do in connection with the situation is to pass a law to put an end to it.

Mr. LANGER. I agree totally and entirely with the Senator in connection with that matter.

Mr. LONG. The Postmaster General has no control over it whatsoever, and he could not reduce the expense if he wanted to.

Mr. LANGER. I again agree with the Senator.

The Postmaster General said:

I have repeatedly stated that 95 percent of the cost of the postal service is salaries and transportation of the mails. I have no control over either. I have also stated that 85 percent of the manpower in the postal service is devoted to the collection, the distribution, the transportation, and the delivery of the mails.

Do those who oppose increased rates and fees desire that I reduce the cost of the service through reductions in the kind of service rendered? I can reduce costs by placing all rural service on a triweekly basis instead of a daily basis. I can reduce the costs by placing all city delivery service on a one-trip basis in residential sections and two trips in business districts. I can reduce costs by shortening the hours of all window service to the public. We can do many things to decrease costs by reducing or curtailing service to the public.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator

from North Dakota yield to the Senator from Michigan?

Mr. LANGER. I yield.

Mr. FERGUSON. The Senator raised the point, as did also the Senator from Louisiana, of the airline subsidy, stating that the Postmaster General has no control over it. There is no doubt about that. A subcommittee of the Committee on Expenditures in the Executive Departments, of which I was chairman last year, started an investigation. We talked to the Postmaster General with reference to it. There is no doubt that he is not able to control the expenditure. But the record shows that another department has something to do with it, and cooperation between the two Departments could accomplish a great deal. We are granting routes to certain airlines which are in competition with other airlines, which reduces the amount of income. We discovered that we must keep the companies in the black and out of the red by virtue of a subsidy in connection with the carriage of mail. In other words, the mail-carrying companies, operating outside the United States, are not permitted to go into the red because the United States Government subsidizes them to keep them in the black. It was demonstrated that meals cost almost as much as does the transportation of passengers, but the Government, through a subsidy, which is unknown to the public, and is not in the open—

Mr. LANGER. It is in the open.

Mr. FERGUSON. Yes; but it is unknown to the public. The public does not realize that a part of the cost of a high-priced meal on an airliner is being paid for by the United States Government through a subsidy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. LONG. Is it not true that the proper thing to do would be for us to change the law which requires such foolishness as the payment of subsidies because airlines may make a loss?

Mr. FERGUSON. I agree with the Senator that we should stop it. But until we pass such a law, the various departments should coordinate and cut down expenses so that the Government would not have to pay this large sum. I agree that we should pass such a law. It should have been passed long ago, and I so advocated.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. How can we cut the appropriation 5 percent when these subsidies must be paid? The attention of the distinguished Senator from Michigan was invited to page 6 of the report. The situation cannot be corrected without a law.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. BALDWIN. I should like to ask the Senator from Michigan a question, if I may. In my State a great many persons complain that there is not enough help in the Internal Revenue Bureau to go over the records in connection with

income taxes and corporate taxes so that taxpayers may be charged for taxes which they failed, through inadvertence, to pay, or because of some correction 2 or 3 years back. That indicates that perhaps there is not enough help in the Internal Revenue Bureau.

Under the provisions of the Senator's amendment, is it possible for the Treasury Department to make reductions in particular places where such action would not do any particular harm? I think the Internal Revenue Bureau is one place where it would be extremely difficult to make any reduction at all.

Mr. FERGUSON. If I may answer the Senator, the amendment is so framed that the Treasury Department, which operates the Internal Revenue Bureau, would not have to take anyone off the pay roll who was actually doing that kind of work, because that can be treated as income-producing work, where a service is being rendered to the public. That is the purpose of the amendment.

I agree that we should not interfere with law-enforcing officers whose activities result in bringing revenue into the Treasury of the United States. They should render honest, efficient service. Their work is essential, and we would not accomplish anything by cutting that kind of service, indeed the pending bill increases the number of employees engaged in that line of work. But I still think that the Department as a whole could stand a cut of 5 percent; efficiency could be increased 5 percent.

Mr. BALDWIN. In other words, under the particular bill we are considering, there is a substantial increase for the internal-revenue service.

Mr. FERGUSON. That is correct.

Mr. BALDWIN. And the Treasury Department is not necessarily required to make the cut in the Internal Revenue Bureau?

Mr. FERGUSON. That is correct.

Mr. LANGER. Mr. President, I should like to call the attention of the distinguished Senator from Michigan to what I think is the basic fallacy of the 5-, 10-, or 20-percent reduction he proposes. Take, for example, the Federal Trade Commission. That is a good example. Or take the appropriation given the Attorney General for the enforcement of the antitrust laws. The Federal Trade Commission had a miserable little appropriation, as I recollect, of in the neighborhood of \$2,000,000 a year. They were supposed to protect small business all over the country. What happened? When the war came along Congress passed a statute and said, "You must not, during this war, prosecute railroads or oil companies or anyone connected with the defense." One year went by, 2 years went by, and the cases piled up. Three years went by and 4 years went by, and more cases piled up until, when our Committee on Post Office and Civil Service investigated the Federal Trade Commission, we found cases 7, 8, 9, 10 years old. The representatives of the Commission came before us and said, "We have to have more help. We have to have more lawyers. This work has piled up. During the war we could not prosecute."

The same thing was true of the Antitrust Division of the Attorney General's Office. So I maintain that instead of cutting them down when the war was over we should have increased materially the number of employees of the Federal Trade Commission, so that they could have protected small business.

Mr. FERGUSON. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from Michigan.

Mr. FERGUSON. I think the Senator from North Dakota and I agree on the enforcement of the antitrust laws. I think we both agree that they have not been enforced.

Mr. LANGER. That is correct.

Mr. FERGUSON. Therefore, we do not want to cut any appropriation designed to facilitate the enforcement of the antitrust laws. But I think we will also be able to agree that the lawyers in the Department who are doing the work can surely increase their efficiency 5 percent. Does not the Senator agree with that?

Mr. LANGER. No; I do not agree with that at all, if we are to cut what they receive 5 percent. We do not increase a man's efficiency by reducing his salary.

Mr. FERGUSON. We do not reduce his salary. We merely ask him to do more work in the Department. Therefore we will get better law enforcement.

Mr. LANGER. Does not the Senator know that some of these men are already working their heads off?

Mr. FERGUSON. There are others who are not.

Mr. LANGER. Let me call the attention of the distinguished Senator to the Bureau of Mines. A man by the name of Sayres was the head of that Bureau. I never saw him until he came before our Committee on Post Office and Civil Service. I liked him. I liked his appearance. I liked his looks. So I made a very careful investigation of Mr. Sayres, and found that big companies had offered him as much as \$40,000 a year to leave Government employment, where he was getting \$10,000.

To show what we are up against on this committee in connection with unemployment, about which we hear so much now, there were 800 men who Mr. Sayres said, were doing absolutely nothing. We asked him about it. We said, "How can you justify 800 men on the pay roll doing nothing?" He said, "It is very simple. If John L. Lewis calls another strike, we have to be ready overnight to take over all the mines." He said, "The President issued an Executive order. We can let these 800 men go, but if we let them go and Mr. Lewis overnight declares a strike, who is going to take charge? Where would we get men who could handle the situation?"

Mr. BRIDGES. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the Senator from New Hampshire.

Mr. BRIDGES. If I remember correctly the Senator's statement of yesterday—and I paid very close attention to him, and I know that undoubtedly he thought over what he said—he stated that the Committee on Post Office and

Civil Service had made an examination of all the departments of the Government, and that outside of one, they did not find a single person doing nothing. Now he says there are 800 people doing nothing. How does the Senator jibe those figures?

Mr. LANGER. It is very simple. Our committee said to Mr. Sayres, "We want them removed," and they were removed.

Mr. BRIDGES. Was that the only department where employees were doing nothing?

Mr. LANGER. That is not the department I referred to yesterday, because that department is well conducted.

Mr. BRIDGES. The Senator's statement was not quite accurate, was it? He says today that he found 800 doing nothing in one bureau, and yesterday he said there was only one department where employees were doing nothing.

Mr. LANGER. I told the Senate yesterday that when we hired these experts, they were hired after we had the testimony from Mr. Sayres. I say to my distinguished colleague that he does not have the faintest conception of conditions, and he would not have unless he sat on the committee, where we had Federal employees come before us. I presume some of those men and women had served during the war. I know man after man like Sayres, who turned down offers of big jobs to stay in Government employment drawing \$10,000.

Mr. BRIDGES. The point where I differ with the Senator is that he stood here and told the Senate—and I listened very carefully—that his investigators went to every Government department, and that they found only one department where employees were idle, not doing their work.

Mr. LANGER. That is correct.

Mr. BRIDGES. I merely wish to ask the Senator now one question. The Senator knows that he and I speak plainly. We have respect for each other, but we speak plainly. I cannot imagine the committee investigators going out and not seeing what he reports, unless they wore blindfolds, or something of the kind.

Mr. LANGER. I will ask the Senator to name the department where the employees are loafing. Give us the name, and give us the days, and how many were loafing.

Mr. BRIDGES. I have not had time individually to look into the matter, but I have been in many departments during the 13 years I have been a Member of the Senate, and I have seen many employees idle. I have not kept a record of the days, and the details, but I have had reports from very loyal employees of the various departments about people being idle.

Mr. LANGER. I had the same reports when the war first started. At that time I believed those reports were true, in many cases. It was not possible to hire half a million people overnight and have them all placed and all working in a very high state of efficiency. As the war went on, those people got into their groove, and did their work. Since the war ended I made investigation, and I assure my distinguished friend from New Hamp-

shire that, aside from one department, all the investigators found the highest efficiency and no loafing.

Mr. BRIDGES. If we ever reach the time when we have a few minutes to spare, I should like to go with the distinguished Senator to some of the departments, if he will wear a mask and I likewise, so that we will not be known, and let us see what we find.

Mr. LANGER. Times without number, when I was chairman of the committee, I got up in the morning and went to various departments, and I am satisfied the employees did not know who I was. I investigated the reports I had received, that women were doing knitting, and that men had their feet on the desks reading newspapers. I say to my friend from New Hampshire that those reports were not true, and similar reports are not true today.

Mr. BRIDGES. I realize that the Senator has a right to his own judgment and his own conclusions, but I cannot concur in the conclusion he has reached, because the information I get is to the contrary.

Mr. LANGER. Let me say again to the distinguished Senator, whom I admire so much, if he would tell us the names of the departments, we could look into it. It is easy to rise here and say that so and so is not doing a good job; but we would like to have the Senator name the department, and the days when the loafing was done. We kept track of the days our investigators went into various departments, how long they stayed, with whom they talked, and whom they saw.

Mr. BRIDGES. If an employee were to tell a Senator that other employees in the same section were loafing on the job, and those in charge of the section were to find out that he had made such a statement, he would certainly be fired.

Mr. LANGER. Any employee who made such a statement to me confidentially would not be fired. As a matter of fact, he would be entitled to a medal if he told the truth.

Mr. BRIDGES. It might be well if we could have medals struck for such a purpose.

Mr. LANGER. I may call to the Senator's attention the record which labor made on the railroads during the war. That is typical of the work that was done then.

Mr. BRIDGES. Mr. President, I am not disputing the record that was made in wartime. I am talking about what is happening today, after the war has ended, in agency after agency of the Federal Government.

Mr. LANGER. I am not getting away from the fine record that was made by them during the war.

Mr. BRIDGES. I agree that a fine record was made during the war. But I am now talking of what is happening in postwar years in Government departments.

Mr. LANGER. I say that the record made by the postal employees during the war and after the war are on a par with the record made by the railroad workers during and after the war. I say again that I do not believe the distinguished

Senator from New Hampshire realizes the innate patriotism of the average Government worker all through the war, and the desire to work that exists today on the part of the average Government employee. It is easy to get up and say they are loafing on the job or are not doing a good job, but let me tell the Senator the average Government employee wants to do an honest day's work for an honest day's pay.

Mr. BRIDGES. I think the average Government employee does, but I say that in every department there are drones. The Government is an accentuated cross-section of public life, and we know there are some very enterprising people, such as the Senator from North Dakota, while there are other people who ride on the coat-tails of others and expect to be bottle-fed for the rest of their lives. We find that to be true in Government departments. We find it accentuated in Government departments.

Mr. LANGER. I may say to my distinguished friend from New Hampshire that, of course, human nature is human nature. I am not denying that, but I ask the Senator to name a department in which the employees are loafing.

Mr. BRIDGES. I am not going to name any. I will be frank and say that I cannot remember the dates when I have been in some departments. I cannot remember the details, but I know that over the years I have seen, and been told much about loafing. Very recently I have seen and been told such things. I know that if the names of some employees who came to me and gave me such information, were known, instead of receiving a medal, they would be fired on one excuse or another.

Mr. LANGER. Let me say to the Senator from New Hampshire that witness after witness appeared before our committee last year and made statements with reference to ratings in certain departments, whether they were good or bad, and made suggestions. There was one case of a young man from a naval base who testified before the committee, and who lost his job. I shall never forgive myself because I permitted that young man to testify in open session, and not in executive session. His superiors were in the room when he testified. But aside from the case of that one young man I do not know of a single employee who testified before the committee who lost his job as a result of his testimony. I may say that the Civil Service Committee had a very good staff. Mr. Riley headed it. He has made a life-long study of the Government civil service, and has written some books on the subject.

Mr. BRIDGES. Has the Senator or his committee investigated the departments and found everyone working at high speed?

Mr. LANGER. I am not saying they were working at high speed. I say they were doing a good day's work. We found they were doing an honest day's work for an honest day's pay. If anyone charges the employees are not doing a good day's work I should be delighted to have the one who makes the charge name the department and the time and the place. It

is very easy to generalize and say that employees do not do a good job.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. FERGUSON. What would be the Senator's solution of the problem when, under all the facts we have before us today, we find we are not going to have sufficient money to operate the Government on the basis of present expenditures? What would be the Senator's remedy?

Mr. LANGER. The answer to that question is most simple.

Mr. FERGUSON. Very well. Let us have it.

Mr. LANGER. To me it is most simple. On a number of occasions I asked that an inventory be taken of what was needed in the United States, so as to find out how much money would have to be expended for domestic needs in America, before we appropriated one single dollar for foreign aid. I have three or four times asked that we make such an inventory before we send billions upon billions of dollars to foreign countries. It would have required only a few months to find out how much money we needed to expend in the United States, before we undertook to send billions of dollars abroad. Those who sponsored such a resolution could not induce the Senate to adopt it. We were told that the administration was in a great hurry to send those billions of dollars to foreign countries.

What must be done now I do not know. I think a tragic mistake has been made. Mr. Altmeyer, head of the Social Security Administration, says that agency will need \$7,000,000,000. Already a report has been made by the House of Representatives that \$15,000,000,000 will be needed for a health program, over a period of 5 years. Undoubtedly it will be necessary to raise the salaries of Federal employees to some extent, by reason of the high cost of living. I could continue and enumerate one thing after another that must be done in this country, to which we could apply money that has gone to foreign countries—the forty or fifty billion dollars which we have sent across the seas. Of course, eventually the day will come, as was predicted by the distinguished Senator from Virginia [Mr. BYRD] when the issue must be faced. In fact the day is here, and we are face to face with the issue.

The President says we must have more taxes. I do not believe the President can get any bill through Congress to raise taxes. That is my judgment. But I say that by reason of the fact that Congress did not take an inventory of our situation and find how much money was needed to operate the Federal Government while we sent billions of dollars abroad, we are now face to face with the proposition of whether we are going to cut down on foreign commitments.

I notice that Mr. Roberts, former Associate Justice of the Supreme Court, testified the other day that if we do not vote for the Atlantic Pact it means immediate war. I do not know how much he knows about that. My own judgment is that, in view of his testimony given at the time he investigated Pearl Harbor,

his judgment is not any too reliable. At any rate that is the way he testified. Sometime ago he, or some of his associates, said that if we did not vote for the United Nations, when that subject was up for consideration in the Senate, it meant we would have war instead of peace. Yet today practically every country has discredited the United Nations, and we gave that organization \$2,000,000,000.

The distinguished Senator from Michigan asks me what we are going to do in the way of securing the needed money. I say that until we stop sending money to Ethiopia and to all other countries on the face of the globe, in amounts of hundreds of millions of dollars, we are, of course, going to be short of money.

Mr. FERGUSON. The only difference between the Senator from Michigan and the Senator from North Dakota is the method of obtaining the money needed to operate the Government. We both believe something drastic has to be done, but the Senator from North Dakota would obtain such money entirely by reducing amounts expended for foreign aid.

Mr. LANGER. No; I did not say that at all. I say that before we gave these great amounts to foreign countries we should have taken an inventory and found out how much we needed to operate our own Government, and if we found that we needed all the money we could obtain to be used here to operate our Government, we should not have sent a single dollar across the sea. Under our oaths as Senators we are obligated to take care of the United States first. I understand the arguments that are made that in sending billions upon billions of dollars across the seas we are defending the United States. If the Senator believes that, I call his attention to the correspondence between Gen. Pat Hurley and President Roosevelt, which I read upon the Senate floor at the time we began to send money to foreign countries, at the time we sent money to Iran.

Mr. FERGUSON. I believe we should have made such an inventory as the Senator suggests. The purpose of the legislative budget was to do that very thing. However, Congress let February 1 go by without taking action. Then the date to establish what our Federal needs would be was fixed as May 1. May 1 has now gone by 11 days, and the majority in control of Congress has not performed its duty in that respect. Now some Members of Congress say they want to repeal that provision, they want to wipe it out entirely. They do not want to find out how much taxes we are going to receive, on which to base the amount we can appropriate. In effect, those who want to repeal that provision say, "We want to appropriate in the dark." Of course, if Congress appropriates in the dark, each bill, as it comes before Congress, can be passed with the amount of money it contains. But when we come to the end of the year that will result in deficit spending, or the money must be provided by increased taxes.

Mr. LANGER. Mr. President, I yield the floor.

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Holland	Mundt
Anderson	Humphrey	Murray
Baldwin	Hunt	Neely
Brewster	Ives	O'Connor
Bricker	Jenner	O'Mahoney
Bridges	Johnson, Tex.	Pepper
Butler	Johnston, S. C.	Robertson
Byrd	Kem	Saltonstall
Cain	Kilgore	Sparkman
Capehart	Knowland	Stennis
Downey	Langer	Taft
Eaton	Lucas	Taylor
Ellender	McCarthy	Tobey
Ferguson	McClellan	Tydings
Flanders	McFarland	Vandenberg
Fulbright	McGrath	Wherry
George	McKellar	Wiley
Hayden	Magnuson	Williams
Hendrickson	Martin	Withers
Hill	Maybank	Young
Hoey	Millikin	

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations was conducting hearings on the North Atlantic Pact.

The PRESIDING OFFICER. A quorum is present.

Mr. TAFT. Mr. President, I intend to say only a few words in behalf of this amendment.

It seems to me that the Congress finds itself in a very embarrassing and illogical position. So far as we can judge, there will be expenditures very much in excess of the taxes which can be hoped for during the fiscal year 1950. Either, therefore, we must increase taxes or we must reduce expenses, or we must consciously adopt a policy of deficit spending at a time when the country is probably above the average, and certainly has a normal activity. I do not see how we can justify deficit spending when the country has the production it has today, when it has the kind of employment it has today, and when it has the taxpaying ability it has today.

There are arguments in favor of permitting deficit spending when we have hard times, when we have a depression; but I know of no arguments in favor of deficit spending when we have substantially full employment, such as we have today.

I notice that in the Democratic platform—and I think the Republican platform contained much the same statement—it is said:

We pledge the continued maintenance of those sound fiscal policies which under Democratic leadership have brought about a balanced budget and reduction of the public debt by \$28,000,000,000 since the close of the war.

We shall endeavor to remove tax inequities and to continue to reduce the public debt.

That is the pledge of the Democratic Party, and certainly I think the Republican Party is bound in the same way.

So it seems to me that a policy of deficit spending is inconceivable and unjustifiable at this time.

The next proposal is that we go on spending, but increase taxes. Certainly nothing has been done up to this time by the responsible leadership in either the House of Representatives or the Senate even to suggest an increase in taxes. The President himself has recommended an increase in taxes; but yesterday we learned that his economic advisers, according to articles which I placed in the CONGRESSIONAL RECORD yesterday at page 6067, apparently are advising against any increase in taxes.

I read from one of the articles to which I refer:

President Truman's Council of Economic Advisers favors a checkrein on Federal spending to bring the budget closer to a balance, responsible officials said yesterday.

As for tax increases, the council is reported to have suggested it might be well to accept a "lesser goal" than the \$4,000,000,000 for which the President has been asking.

The April report of the council, drafted in the light of current business trends, was delivered to the White House last week. It suggested the removal or lowering of some Federal excise taxes, it was learned.

But the present trend of the economy—which Council Chairman Edwin G. Nourse calls a healthy disinflation—does not warrant large-scale works spending now, the Council feels. Such outlays would make it harder to reach the goal of lower Government costs.

It would be unwise to plunge into red-ink financing. But an effort to avoid it by sharply raising taxes might hinder the attempts of business firms to adjust their prices to the weaker market and keep their plants running at high capacity. The safer course would be to trim Federal spending.

Those are the recommendations of the President's Council of Economic Advisers, who were set up to guide him and to guide us on sound economic principles.

So, Mr. President, so far as I can see, the only alternative we have is to reduce expenses.

Reduction of expenses is not easy. I quite understand the reasons which have made it so difficult for the Appropriations Committee to make any cuts in expenses. But I think it is absolute nonsense to say that Government expenses cannot be cut. I think it is nonsense to say that if there are 21 lawyers in a law office, it is not possible to get rid of one of them and still have about as good a job done by the 20 lawyers remaining as had been done with the 21. Obviously in such a case it will usually be possible to find one who is not doing very much work.

So I have no question that we can cut 5 percent in every department of the Government, in personnel as well as in expenses, perhaps as an incident to improving the methods and making changes in operation which should be made.

Mr. President, we have before us a proposed method for reducing appropriations. That method has been questioned, but it seems to me to be the only resort we have at the present moment, and I cannot see how anyone can oppose the general theory that the only statesman-like and sensible thing to do today is to cut Federal spending.

Mr. NEELY. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. NEELY. Does the Senator from Ohio mean to imply by his reference to reducing the number of lawyers in a law office from 21 to 20, and his statement that it would often happen that at least one out of that number would be unnecessary, that 1 out of 21 Government employees is not earning his salary or is doing so little that he should be discharged?

Mr. TAFT. I say that any office can be cut 5 percent in personnel or expenses, and still can run just as efficiently as it did before.

If we were here concerned with a private business—and such changes have been made in private business; I have seen them made—orders simply would be issued, "You will cut the cost of your department 10 percent." In a private business, such orders have to be complied with; and, in general, when they are issued I think they result in a more efficient job being done in such private offices than is done in most Government offices. I think that in the long run it is inevitable that private offices are more efficient than Government offices, although there may be some exceptions.

In any event, I wish to place myself on record as saying that I see no alternative course which can be reasonably justified today; I see nothing for us to do but to cut the total Government budget.

As a means of cutting it, I believe the pending amendment is a practical method, and one which should be adopted by the Senate.

Mr. WHERRY. Mr. President, as one who has worked for many years on the Appropriations Committee, I wish to say that I feel that this amendment should be supported. However, I favor the making of this cut under the theory that not only domestic but foreign appropriations should be cut to fit the cloth of what we can spend in the United States and still remain fiscally sound.

I agree with the Senator from Ohio when he says it is very difficult to arrive at the proper approach to doing that or the proper system which should be used. There are those who will vote for economy in the operations of the Government, but do not believe in a so-called meat-ax method. I believe there is much to be said in favor of the arguments they make. There are others who say that a search should be made—similar to investigations which are made in private business—to find where cuts can be made without injuring the operations.

One difficulty in making cuts in the operations of the Government is that the legislative branch does not have the information which the Congress said in 1947 it should have. In 1947 the Congress provided that the legislative branch thereafter should have before it a legislative budget, giving the maximum ceiling to be permitted for expenditures. But, Mr. President, May 1 has come and gone, and the majority has failed to report a legislative budget, as required by the Legislative Reorganization Act, for which practically all Members of the Congress in 1947 voted, and I myself supported it. For one reason or another, the leaders on the other side of the aisle are apparently ignoring the plain mandate of

that law. The result is that, as of today, we have no legislative budget or ceiling.

Such inactivity on the part of the leaders on the other side of the aisle is strange, and is all the more deplorable in view of Democratic declarations and accusations on the floor of the Senate when Republicans were striving so valiantly to report a legislative budget in 1947 and 1948.

Before I remind the Democratic leadership of their remarks in the previous Congress, I should like to point out that sections 132 and 139 of the Legislative Reorganization Act, pertaining to the legislative budget, were parts of the original act which was passed in the Seventy-ninth Congress, when the Democrats were in control. I wish to give the Democrats credit for that act. I think it is a constructive piece of legislation and should be carried out today.

One important factor of the legislative budget concept was its timing. The budget report was required early in the session so that it would be a guide to appropriations and revenue committees as they considered the President's requests. That was the timing of it.

The Democrats in this session of Congress first indicated they would sidetrack the primary idea behind section 138 when they postponed the report date to May 1. And now that day has passed without any report.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. McKELLAR. The Senator recalls, does he not, that it was postponed last year?

Mr. WHERRY. Yes; I am coming to that.

Mr. McKELLAR. Not only that, but does not the Senator recall that it was declared to be unworkable by the distinguished Senator from New Hampshire [Mr. BRIDGES], and very properly so, when we came to look into it closely? I, as Chairman of the Appropriations Committee, followed the leadership of the Senator from New Hampshire in the matter, because it is an unworkable act. It is completely impossible under it for Senators to do anything but guess at a budget. It is as bad as a reduction of appropriations by an arbitrary percentage—5 percent, 6, 2, 8, or 5.

Mr. WHERRY. Yes. I want to thank the distinguished Senator for his observation. As I proceed with my argument it will be seen that I completely agree with him. There must be some change. But I am saying now there has been a failure. The reason I am asking for a revision of the statute at this time is because there has been a failure. If it was impractical in 1947 and 1948, it is impractical now.

Mr. McKELLAR. I am willing not only to revise it but to abolish it entirely. I asked unanimous consent the other day to take up a bill having that objective in view.

Mr. WHERRY. Mr. President, instead of abolishing it, I think what should be done is to make it workable. I think we have the solution for that. When the time comes, I shall ask the distinguished chairman of the Appropriations Committee to join in an effort to see whether

we can yet preserve the spirit of the Act, and at the same time make it practicable.

But at this moment, Mr. President, I again want to state that it seems to me the Republicans have been exceedingly patient. If the shoe were on the other foot, as it was in 1947 and 1948, the Democrats would be denouncing us for evading the law and making futile and meaningless gestures. I shall quote from the CONGRESSIONAL RECORD for February 21, 1947, pages 1276 to 1279. These again are the words of the majority leader:

Mr. LUCAS. Mr. President, in my humble judgment the Legislative Budget Joint Committee which has been created by the Reorganization Act has not done its duty as required by the Act, because it has failed to give Members of Congress the facts it could have given them.

Here is another quotation by the same Senator, the majority leader of the Senate today:

That committee had an obligation under the act, and they failed * * * in the performance of that duty and obligation, in not giving to the Senate sufficient information of some kind and character upon which it might intelligently act.

Here is another quotation from the same Senator:

I think the manner in which this matter has been handled by the majority is a snare and a delusion and a farce. * * * There was ample time for those on the Budget Committee to * * * obtain information upon which all Senators could form some kind of an intelligent conclusion.

Mr. President, in 1949, the Democrats are in far better position to present the facts, because they control both the Congress and the executive agencies. Why do they seek to evade this provision of law?

Again, I quote from the RECORD for May 8, 1947, page 4780, a statement by the majority leader:

Mr. LUCAS. Three months have passed and no report on the legislative budget has been made. Not a single sound, constructive statement has been made by the party in power as to why no report has been made. The leaders of the majority party sit by silently, day after day, taking no steps to move this committee to action.

Mr. President, these remarks apply perfectly to the present situation, and I think the author of these remarks ought to explain to the Senate the reason for bypassing sections 138 and 139 of the Legislative Reorganization Act.

I should like to make an additional quotation from the RECORD of February 26, 1947, pages 1419 to 1420. This was a statement by the then acting majority leader, the Senator from Kentucky, now the Vice President of the United States. It reads as follows:

Mr. BARKLEY. There is one thing that I am certain of, and that is that the 15th day of February gave the joint committee ample time and opportunity to present an infinitely more intelligent report than that which it has submitted to the Senate.

I submit, Mr. President, that if the February 15, 1947, deadline was ample for Republicans who were struggling with a legislative budget for the first time in any Congress and had only a handful of staff members, then May 1, 1949, should be more than ample for

Democrats who can call upon thousands of Federal employees for advice and counsel on the budget.

In view of these facts, it would be interesting to know why the majority leadership is evading the law.

I know that one reason given on the floor of the Senate is that the Rules Committee is presently considering a joint resolution to repeal the legislative budget provisions of the act. That is the legislation proposed by my distinguished colleague, the chairman of the Appropriations Committee, which calls for outright repeal of the provision.

Mr. President, I think this is not the right move. Democrats gave no quarter when the Republicans were responsible for complying with the new, untried provisions of the law. Now that the Democrats are charged with this responsibility, the provisions are called unworkable by the present chairman of the Senate Appropriations Committee. The majority leadership apparently is going to repeal the law without giving it a trial even though the most favorable circumstances for formulating a legislative budget prevail.

There are Senators in this Chamber, members of both parties, who are gravely concerned about the budget. They are determined, insofar as it is within their power, to do something about it. They think this is no time to scuttle the legislative-budget idea, but to improve it and to make it work.

On February 8, 1949, the Senator from Virginia [Mr. BYRD], the Senator from Nebraska [Mr. BUTLER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Maryland [Mr. O'CONOR], the Senator from California [Mr. KNOWLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from Michigan [Mr. FERGUSON], and I submitted a concurrent resolution (S. Con. Res. 18) providing for a consolidated appropriation bill. It is a constructive attempt to coordinate the appropriation process and to avoid the uncontrolled piecemeal process which threatens confusion in our fiscal operations.

Since the introduction of Senate Concurrent Resolution 16, many of us have given further thought to the legislative budget and to the appropriation process. Rather than see the legislative budget scuttled, we should like to improve it and to coordinate it with a more efficient appropriation procedure.

To accomplish this excellent and constructive purpose, we now offer a comprehensive concurrent resolution, which I shall later send to the desk and ask to have appropriately referred. It is also my intention to move adoption of the resolution as a substitute for the concurrent resolution (S. Con. Res. 33), now on the calendar, which provides for the repeal of section 138 of the Legislative Reorganization Act of 1946.

Mr. SALTONSTALL. Mr. President, will the Senator yield at that point for a question?

Mr. WHERRY. I am glad to yield.

Mr. SALTONSTALL. Does the Senator not agree with me that simply to repeal the present provision without taking constructive steps would create a

very bad impression in the minds of the people of the country at this time, when the question of heavy expenditures and the problem of getting revenues to meet them are before us?

Mr. WHERRY. Mr. President, I answer the distinguished Senator from Massachusetts in the affirmative. If section 138 of the Reorganization Act is scuttled now, we pay no attention to an over-all ceiling. If no provision is made whereby we can integrate not only the domestic but foreign-relations appropriations, bringing them all out on the table, seeing what the appropriations are to be, we shall merely continue to appropriate blindly, and the only method we shall have of attempting to cut the appropriations will be the procedure we are now following.

Under the concurrent resolution, which I shall explain in a few moments, there would be formed a legislative staff that would, every day in the year, check upon the various Government departments and agencies, and make recommendations—to whom?—to the appropriate committees of the House and Senate, to guide them not only in establishing a ceiling, according to section 138, which is now the law, but in determining whether we should increase taxes, and so forth. It would be voluntary. The staff would merely make recommendations. Unless that is done, we shall continue blindly to appropriate piecemeal. We shall not know what our revenues are; we shall not know what appropriations should be made. It will be impossible to keep the country on a balanced budget. Such a plan would be the beginning of the end of making appropriations which would lead us into deficit financing.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. WHERRY. I yield.

Mr. SALTONSTALL. Does not the Senator from Nebraska agree with me that the financing and budgetary methods of the Federal Government are far behind any procedure employed in connection with municipal and State appropriations?

Mr. WHERRY. Mr. President, I am glad the Senator from Massachusetts has mentioned that. We could probably go into any State in the Union and find fiscal policies and practices far ahead of those employed by the Federal Government. I know that in my own State we are on a pay-as-you-go basis. It is absolutely necessary that we know what our revenues are. We have no bonded indebtedness. There is no way in which we can bond the State to a greater extent than \$100,000, except by vote of the people. We must know what the revenues are, and we must know what the spending budget is. I think other States have made as great an advance, or even a greater advance. That is what we must do with respect to the Federal Government. We must place it on a pay-as-you-go basis and keep expenditures within the revenues.

I thank the Senator from Massachusetts for his very timely observation. I think his question can be answered in

the affirmative by the records of most of the States of the Union.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the distinguished Senator from Michigan.

Mr. FERGUSON. I should like to ask the Senator if he does not agree that now, when the majority of Members of the Senate and the House say the law we have on the books is unworkable, is the time to amend the law and make it workable, and that the staff should be employed immediately, so that by next January it could present to the two branches of the Congress the facts from which we could make up a legislative budget and proceed as we should have been proceeding in the past?

Mr. WHERRY. In answer to the question of the distinguished Senator from Michigan, I say, "Certainly"; that is one of the provisions of the resolution of which the Senator from Michigan and the Senator from Massachusetts are co-sponsors. The resolution provides that a staff be immediately appointed so that it can start to work and assemble the data from each Government agency so that when Congress convenes in January 1950 we can have, not Executive recommendations, not recommendations from the departments, although we should be glad to have them, but recommendations from our own appointed officers of the Senate, bringing us the facts which are so vitally necessary in order to prepare a maximum ceiling.

Mr. FERGUSON. Along the same line, does the Senator agree that the Congress is responsible for the amount of money which should be expended? In other words, we hold the purse strings, and we have a duty to supervise the expenditure of the money. Even though we might require a staff as large as that of the Budget Director, who is the fiscal officer of the executive department, should we not obtain facts in order that we may determine how much money of the taxpayers should be spent on Government?

Mr. WHERRY. Mr. President, in answer to the distinguished Senator, I say, "Absolutely, yes." The final responsibility is left with the Congress, regardless of the recommendations of any agency. For that reason, if we authorize the appropriation of money, we must pay the bill, and we must know the facts.

The President sends his recommendations to the Congress, and rightly so, but, after all, the one branch of the Government which is responsible for the appropriation of money is the Congress, and for that reason I totally agree with the Senator that such a staff should investigate the subject in order that we may know what the revenues are and what must be spent. We should have these relationships all along the line, so that Congress may intelligently, through its staff, appropriate and keep the United States of America on a strong fiscal basis.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I shall be glad to yield to the Senator from California.

Mr. KNOWLAND. I wonder if the Senator from Nebraska can inform me whether he has knowledge that there has

been presented, either to the Committee on Finance or the Committee on Appropriations, an estimate based on the March 15 tax collections, indicating what the revenues are on our present level of tax receipts.

Mr. WHERRY. In answer to the distinguished Senator from California, I will say I am not a member of the Finance Committee; I am a member of the Appropriations Committee. To my knowledge no such estimate has been presented. There are other members of the Appropriations Committee present, but, so far as I am concerned, I should say "No."

Mr. KNOWLAND. Would it not be well for either the Finance Committee or the Appropriations Committee of the Senate to secure from the Treasury Department an up-to-the-minute estimate based on the March 15 tax receipts?

Mr. WHERRY. Mr. President, I think that is a very constructive suggestion, because the tax receipts today are different from what they might have been estimated 3 months ago.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. I just inquired of the able chairman of the Committee on Appropriations with respect to the question asked by the Senator from California. He stated that he had no personal knowledge of such an estimate, but would be glad to check up with regard to it.

Mr. WHERRY. Mr. President, I think the suggestion is very timely and most constructive. In any private business the management must know what the income is in order properly to take care of the outgo. If the national revenues are falling, there is even more justification to start in to fit the expenditures to the revenues.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHERRY. I shall be glad to yield to the distinguished Senator from Tennessee.

Mr. McKELLAR. In line with what the Senator has just stated, the resolution which I introduced provided for the very thing which the Senator has been discussing. The Committee on Rules and Administration struck it out and inserted a provision for repeal of the law. When that matter comes up I hope very sincerely that the Senate will, for once, follow not the rule, but the resolution, to have a study made of the subject so that we may have a workable law. The work should not take the time of Senators, but should be handled by the staff. I agree that it should be done. I think we should have a staff that will perform the task. It would seem impossible for the chairmen of the committees of the two Houses to do their work and also that work.

Mr. WHERRY. Madam President [Mrs. SMITH of Maine in the chair], I wish to thank the distinguished Senator from Tennessee for stating that he feels that something should be done to make the law workable. I believe that the resolution we have offered will accomplish that, and I only hope that after the distinguished Senator has read it, he will join with us in helping to secure the adoption of the resolution.

Mr. FERGUSON. Madam President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Is it not true that what is now being proposed by the able Senator from Nebraska has heretofore been studied by the Committee on Rules and Administration, even last year, so that it is nothing new? In his resolution, the Senator from Tennessee provides the law shall be suspended only pending further study, and until otherwise provided by concurrent resolution, which our proposal would accomplish.

Mr. WHERRY. It would go further than that. However, an amendment was made to the Senator's resolution which struck out the purpose of the resolution, and proposed to repeal the law. Some feel that the law is unworkable and impracticable. As it operates, I agree with the Senator from Tennessee that it is impracticable. But I think it can be made workable, and that is why I am offering today the resolution to which I have referred.

I intended to take only a few minutes of the time of the Senate, because I realized we were on a schedule, trying to get a vote on the pending bill. But I rose because I am going to support the cut proposed, and I wanted the distinguished Senator from Tennessee to know that my action in that regard constituted no reflection on his good judgment, or his position in opposition to the cut. In the absence of any other procedure, it seems to me that such a cut is justified.

In order to alleviate the situation which might recur, if it were possible to have the resolution adopted, set up the fact-finding staff, start them to work at the beginning of the fiscal year, as the distinguished Senator from Tennessee has suggested, then, when Congress convenes next January, the two committees in each House would have the information upon which they could proceed intelligently, not only as to revenues, but also as to the spending budget.

Mr. McKELLAR. Madam President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. McKELLAR. The Senator will recall that a few days ago I asked unanimous consent that the resolution suspending the law be adopted, and objection was made.

Mr. WHERRY. Madam President, when the resolution came to me it was amended and called for outright repeal. I do not know whether it was ever presented to anyone else prior to that time without the repeal provision in it. I said then that I would not support the repeal provision because I felt that the law should stay on the statute books, and should be made workable.

Mr. LUCAS. Madam President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Illinois.

Mr. LUCAS. Even though it might be repealed, that would in nowise affect the basic philosophy of the proposal made by the distinguished Senator from Nebraska with respect to the employment of a staff to get the facts.

Mr. WHERRY. Of course, there would have to be legislation.

Mr. LUCAS. I know that.

Mr. WHERRY. What I intended was to ask that the concurrent resolution be sent to the Committee on Rules and Administration and have the committee study it, which is almost in line with what has been suggested by the distinguished Senator from Tennessee. I also expect to offer it as a substitute for Senate Resolution 33, in the event that is brought up for consideration.

Mr. LUCAS. I should like to associate myself with the Senator from Nebraska and the Senator from Tennessee with respect to the points which are being made by the Senator from Nebraska regarding the necessity of ultimately obtaining the best expert advice possible with respect to appropriations. So long as we continue in a haphazard manner, as we are proceeding today, just that long will it be necessary for the Senate to do a great deal of speculating and guessing as to whether or not we are rendering efficient service to the taxpayers of America with respect to our expenditures.

So far as I am concerned, I can think of nothing better than a study of the resolution, with the hope that an effective staff will be employed, regardless of the expense, because whatever is expended in this adventure will in my opinion bring back tenfold the money that is spent, if we get the right kind of people to handle the work.

Mr. WHERRY. I deeply appreciate the observations made by the majority leader. I welcome his advice and judgment in this matter. I know he is interested, but knowing that possibly he is not up to 100 percent physical strength, and that he made his observations under somewhat of a physical handicap, I appreciate his statement all the more.

Mr. LUCAS. I hope the Senator will agree that the observations were 100-percent strong.

Mr. WHERRY. They were 100 percent, and I deeply appreciate them.

Madam President, the resolution I am sending to the desk avoids the difficulties which proved insurmountable when the Eightieth Congress sought to deal with the legislative budget. Instead of a joint committee of 105 members, it provides for a more cohesive body of 20 members, five each from the Senate Appropriations and Finance Committees and the House Appropriations and Ways and Means Committees.

We make sure this time that the joint committee shall have an adequate staff, which was the chief weakness of the committees' previous attempts to deal with the legislative budget, as the Senator from Illinois has pointed out, and as has been stated by others who have made observations on the resolution this morning.

We eliminate the provision that both Houses must pass a concurrent resolution approving the legislative budget. This is unnecessary. It was responsible for deadlock on one occasion, in 1947. Instead, we provide that the recommendations of the joint committee be reported only to both Houses, and be referred to the committees of both Houses which are concerned with revenues and expendi-

tures. These committees will then have a guide for their work.

Then we tie the legislative budget idea into the appropriation process, by providing for a consolidated appropriation bill. That is the proposal the Senator from Michigan mentioned a few moments ago, which the Committee on Rules and Administration has studied for the past 2 years. It is in the form of a bill which was introduced by the Senator from Virginia [Mr. BYRD] and the Senator from Nebraska [Mr. BUTLER]. I was chairman of the subcommittee which made recommendations amending the bill to make it workable in accordance with the recommendations made by all the Government agencies which came forward to testify.

Presently, each appropriation committee and subcommittee goes its own way, with no machinery to coordinate all the appropriation bills.

With a consolidated appropriation bill this anarchy can be ended. A single focal point is provided. An over-all view can be obtained. The legislative budget ceiling and the total of appropriations can be brought into practical relation.

We further provide for continuous year-round observance and study by the joint committee of the budget as a whole as one means of preventing the fiscal process from getting out of hand.

Unless we can improve our methods of handling the people's money, the congressional power of the purse, to which the Senator from Michigan referred a moment ago, will become meaningless and the safeguards of a free Republic will be sacrificed. To be sure this does not happen, we are providing by this resolution for a constructive and effective instrument to deal with the Nation's finances.

In the interests of intelligent, economical, and prudent control of the Nation's purse strings, Congress should be fully informed on the detailed functioning of administrative agencies of the Government. To obtain this information as a basis for appropriations, Congress requires a full-time staff of specialists to keep constant tab on expenditures and proposed appropriations, in order to provide factual information to the Congress and its appropriate committees for assistance in making legislative decisions.

The historic procedure of dribbling appropriations through each session of Congress without an over-all guiding plan is inefficient, wasteful, and costly to the taxpayers. Consolidation of the major appropriations would afford an over-all view of the spending budget, with opportunity to balance requirements on their relative merits. That is the efficient, businesslike way to do this job.

The President annually submits a budget to the Congress, and properly so, in compliance with his responsibilities. But as I said a moment ago in answer to the Senator from Michigan, the final responsibility over the Nation's purse strings is lodged by the Constitution in Congress, and Congress should be organized and staffed to fulfill its responsibility to the people.

Madam President, for myself and on behalf of the Senator from New Hamp-

shire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Virginia [Mr. BYRD], the Senator from Michigan [Mr. FERGUSON], the Senator from Kansas [Mr. REED], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from North Dakota [Mr. YOUNG], and any other Senator who would like to join in sponsoring it, I send to the desk a concurrent resolution. Permit me to state once again that it is also my intention to move adoption of this concurrent resolution as a substitute for Senate Concurrent Resolution 33, now on the calendar, which provides for repeal of section 138 of the Legislative Reorganization Act of 1946.

Madam President, I ask unanimous consent that the resolution be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the concurrent resolution (S. Con. Res. 38), submitted by Mr. WHERRY (for himself, Mr. BRIDGES, Mr. BUTLER, Mr. BYRD, Mr. FERGUSON, Mr. REED, Mr. SALTONSTALL, and Mr. YOUNG), was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That section 138 of the Legislative Reorganization Act of 1946 is amended to read as follows:

"Sec. 138. (a) There is hereby established a committee to prepare the legislative budget (hereinafter referred to as the 'committee'), to be composed of five members of the Senate Committee on Finance and five members of the Senate Committee on Appropriations, to be appointed by the President of the Senate; and five members of the House Committee on Ways and Means and five members of the House Committee on Appropriations, to be appointed by the Speaker of the House of Representatives; and not more than three members of each of said committees shall be members of the majority party. A vacancy in the committee shall not affect the power of the remaining members to execute the functions of the committee and shall be filled in the same manner as the original selection. At the beginning of each Congress the committee shall meet at the call of the chairman of the House Committee on Appropriations and shall select its own chairman and vice chairman, except that the first meeting shall be called in July 1949. A majority of the committee shall constitute a quorum and the powers conferred upon them by this section may be exercised by a majority vote.

"(b) It shall be the duty of the committee to prepare and report to the Senate and to the House of Representatives at the beginning of each regular session of Congress a legislative budget for the ensuing fiscal year, including the estimated over-all Federal receipts and expenditures for such year. Such report shall be based upon the studies and investigations of the committee, giving due consideration to the budget recommendations of the President. Such report shall contain a recommendation for the maximum amount to be appropriated for expenditures in such year which shall include such an amount to be reserved for deficiencies as may be deemed necessary by the committee. In addition to setting the maximum amount to be appropriated for expenditure in such year, including a reserve for deficiencies, the committee may also recommend that public revenues or the public debt be increased or decreased as the case may be; and such recommendations shall be reported to Congress and referred to its appropriate committees by February 15. After the legislative budget shall have been reported, all bills authorizing appropriations reported by legislative

committees shall be referred to the Joint Committee on the Legislative Budget which shall render a report within 15 days to Congress showing the estimated cost of such legislation and the effect of that cost on the legislative budget.

"(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to employ such experts and such clerical and other assistants and to fix their compensation without regard to the Classification Act of 1923, as amended, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. At least one-third of any staff so employed shall be nominated and appointed by, and assigned to assist the minority party.

"(d) The committee is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government.

"(e) There is hereby authorized to be appropriated such sums as may be necessary to pay the expenses of the committee, to be disbursed by the Secretary of the Senate upon vouchers signed by the chairman."

SEC. 2. Commencing with the second session of the Eighty-first Congress, all appropriations for each fiscal year shall be consolidated in one general appropriation bill to be known as the "Consolidated General Appropriation Act of _____" (the blank to be filled in with the appropriate fiscal year). The consolidated general appropriation bill may be divided into separate titles, each title corresponding so far as practicable to the respective regular general appropriation bills heretofore enacted, but the aggregate total to be appropriated for expenditure in such year, including any amount reserved for deficiencies, shall approximate the maximum total recommended by the legislative budget committee. As used in this paragraph the term "appropriations" shall not include deficiency or supplemental appropriations, appropriations under Private Acts of Congress, or rescissions of appropriations.

(a) The consolidated general appropriation bill for each fiscal year, and each deficiency and supplemental general appropriation bill containing appropriations available for obligation during such fiscal year, shall contain provisions limiting the net amount to be obligated during such fiscal year in the case of each appropriation made therein which is available for obligation beyond the close of such fiscal year. Such consolidated general appropriation bill shall also contain provisions limiting the net amounts to be obligated during such fiscal year from all other prior appropriations which are available for obligation beyond the close of such fiscal year. Each such general appropriation bill shall also contain a provision that the limitations required by this paragraph shall not be construed to prohibit the incurring of an obligation in the form of a contract within the respective amounts appropriated or otherwise authorized by law, if such contract does not provide for the delivery of property or the rendition of services during such fiscal year in excess of the applicable limitations on obligations. The foregoing provisions of this paragraph shall not be applicable to appropriations made specifically for the payment of claims certified by the Comptroller General of the United States and of judgments, to amounts appropriated under Private Acts of Congress, to appropriations for the payment of interest on the public debt, or to revolving funds or appropriations thereto.

(b) The committee reports accompanying each consolidated general appropriation bill, and any conference report thereon, shall show in tabular form, for information purposes, by items and totals—

(1) the amount of each appropriation, including estimates of amounts becoming available in the fiscal year under permanent appropriations;

(2) estimates of the amounts to be transferred between such appropriations;

(3) estimates of the net amount to be expended in such fiscal year from each appropriation referred to in clause (1);

(4) estimates of the net amount to be expended in such fiscal year from the balances of prior appropriations;

(5) the totals of the amounts referred to in clauses (3) and (4); and

(6) estimates of the total amount which will be available for expenditure subsequent to the close of such fiscal year from the appropriations referred to in clause (1).

The committee reports accompanying each deficiency and supplemental appropriation bill containing appropriations available for obligation or expenditure during such fiscal year, and each appropriation rescission bill, and any conference report on any such bill, shall include appropriate cumulative revisions of such tabulations.

(c) The committee reports accompanying each consolidated general appropriation bill, and any conference report thereon, shall show in tabular form, for information purposes, for each wholly owned Government corporation or other agency of the Government which is authorized to receive and expend receipts without covering such receipts into the Treasury of the United States and which uses a checking account maintained with the Treasurer of the United States for that purpose (A) the estimated expenditures (other than retirement of borrowing) to be made out of such checking account for the fiscal year, (B) the estimated receipts (other than borrowing) to be deposited in such checking account for such fiscal year, and (C) the difference between (A) and (B).

(d) The provisions of paragraphs (2), (3), and (4) shall not be applicable to appropriations of trust funds or to transactions involving public-debt retirement.

(e) No general appropriation bill shall be received or considered in either House unless the bill and the report accompanying it conforms with this rule.

(f) The Appropriations Committee of the two Houses may hold hearings simultaneously on each general appropriation bill or may hold joint hearings thereon.

Mr. WHERRY. Madam President, without going into any further explanations or going into any more detail respecting the matter, because I want to cooperate with the distinguished Senator from South Carolina and take as little time as possible, I ask unanimous consent to have printed at this point in the RECORD, Report No. 391 of the Eightieth Congress, first session, to accompany Senate Concurrent Resolution 6. The report is very short.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the concurrent resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill, having had the same under consideration, report said concurrent resolution back to the Senate with an amendment in the nature of a substitute,

and recommend that the concurrent resolution, as amended, do pass.

I. INTRODUCTION

The policy underlying this concurrent resolution is based on a proposal to amend the joint rule of the Senate and House of Representatives contained in section 138 of the Public Law 601 (Reorganization Act of 1946) in order to accomplish the following broad objectives:

1. The simplification and clarification of Federal appropriation bills.

2. To enable the Congress to comply more favorably with the clear requirement of section 138 of Public Law 601.

3. To enable the legislative branch of the Government to extend the legislative control on expenditures to the executive branch by means of more appropriate statutory limitations.

As originally introduced, Senate Concurrent Resolution 6 would have—

1. Combined all regular appropriations—which now have to be sought in 12 separate and unrelated bills—into 1 consolidated general appropriation bill, so that the whole appropriation and expenditure picture of the Federal Government could be considered by Congress, and seen at one time by the public.

2. Fixed direct control over annual expenditures against the appropriations which are made, more nearly to comply with the intent of section 138 of the Legislative Reorganization Act of 1946 (Public Law 601).

During the hearings on the concurrent resolution it was developed that the desirable results of the first purpose of the resolution are numerous and obvious. The undesirable possibilities connected with the first objective were found to be as follows:

1. Length of time required by the Appropriations Committees and the respective Houses in consideration of a consolidated bill.

2. Necessity for the President to veto a bill containing all appropriations in the event he disapproved of one or more items.

With respect to the first point, the committee believes that with the customary cooperation between the two Houses and their respective committees, the time requirement can be met.

With respect to the second point, the difference in desirability of the item veto for use in connection with a consolidated bill and for its use in connection with 12 bills is a matter of degree. In view of the controversial viewpoints with respect to the constitutionality of the item veto, the committee believes that the subject of the item veto should not be introduced at this time in the consideration of this concurrent resolution, as amended, particularly in view of the fact that fewer vetoes of appropriation bills may be expected since Congress has tightened up the rules prohibiting substantive legislation in appropriation bills.

With respect to the second objective of the resolution, the fiscal agencies of the Government—the Treasury, Bureau of the Budget, and General Accounting Office—testified that—

"The existing Federal bookkeeping and accounting procedures are not adaptable to control of expenditures on the basis of cash withdrawals from the Treasury without difficulty and additional expense to the Government."

On the basis of this contention, the committee requested the sponsors of the resolution, with the assistance of representatives of the fiscal agencies, to work out changes in the resolution which would bring its requirements within the scope of existing Government fiscal procedures for execution in the executive branch.

This was done in the form of the amendment in the nature of a substitute which was

drafted with the assistance of representatives of the Treasury, the Bureau of the Budget, the General Accounting Office, and the Senate Legislative Counsel.

II. PRINCIPAL PURPOSES

In general the concurrent resolution, as amended, provides for three principal broad purposes:

1. Consolidation of all general appropriation measures into one general consolidated appropriation bill.
2. Statutory limitations on obligations against appropriations, which would have the effect of controlling expenditures and keeping them within the revenue.
3. Show by means of an informative table in the reports of the respective Appropriations Committees and Conference Committees on Appropriations an itemized estimate of annual expenditures.

III. ANALYSIS

1. The amended concurrent resolution is in the nature of an amendment to the joint rule of the Senate and House of Representatives—relating to the legislative budget—as contained in section 138 of the Legislative Reorganization Act of 1946.

2. The concurrent resolution, as amended, will be effective with the beginning of the second session of the Eightieth Congress, next January.

3. The first principal purpose of the concurrent resolution, as amended, is to provide for the consolidation of all appropriations in one general appropriation bill to be known as the Consolidated General Appropriation Act.

Under the terms of the concurrent resolution, as amended, the consolidated general appropriation bill may be divided into separate titles, each corresponding to one of the 12 regular general appropriation bills as heretofore enacted, and would permit consideration of the consolidated bill by titles, at the subcommittee stage, without interruption of the present subcommittee organization of the respective Appropriations Committees.

4. Nothing in the concurrent resolution, as amended, would preclude necessary deficiency and supplemental appropriation bills in addition to the consolidated bill, but a reduction in the number of such bills probably will result.

5. The concurrent resolution, as amended, in addition to the consolidated appropriation bill, supplemental and deficiency bills, provides specifically for private act appropriations bills and for appropriation rescission bills.

6. The second principal purpose of the concurrent resolution, as amended, is to fix within the general consolidated appropriation bill, supplemental and deficiency bills, limitation on funds available for obligation during the ensuing fiscal year with respect to all appropriations which are available for more than 1 year. The language in the concurrent resolution, as amended, to accomplish this purpose has been worked out with the assistance of representatives of the Treasury, the Bureau of the Budget, and the General Accounting Office who have testified affirmatively as to the feasibility of the proposal.

7. In connection with these limitations on obligations, the committee invites attention to the fact that the limitations are not to be—

(a) Construed to prohibit entering into over-all contracts which would extend beyond the year, providing the contracts do not allow for delivery of property or services during the ensuing fiscal year in excess of the limitation on obligations for the year.

(b) Applicable to appropriations made specifically for payment of claims certified by the Comptroller General.

(c) Applicable to appropriations for payment of judgments.

(d) Applicable to amounts appropriated under private acts of Congress.

(e) Applicable to appropriations for payment of interest on the public debt.

(f) Applicable to revolving funds or appropriations thereto.

All of the foregoing exemptions are included in the concurrent resolution, as amended, at the suggestion of the representatives from the fiscal agencies, on the grounds that they are required in the interest of administrative efficiency, or for the elimination of unnecessary bookkeeping.

8. The third principal purpose of the concurrent resolution, as amended, is to provide the Congress and the public with accessible information on annual expenditures by the Federal Government. This is accomplished by the provisions in the concurrent resolution, as amended, requiring reports from the respective Appropriations Committees and conference committees on appropriations bills to include an informative table itemizing available appropriations and estimating annual expenditures from the appropriation items with totals in each case. A similar table will be required showing Government corporations' checking account transactions.

9. Both the provisions for limitations on obligations referred to in paragraph 6 above and for informative tables on expenditures referred to in paragraph 8 above exclude public-debt retirement transactions and trust funds because trust funds do not represent Federal funds, and debt retirement is paid largely out of surplus revenue.

Mr. HAYDEN. Madam President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAYDEN. This is the difficulty I encounter respecting the proposal made by the Senator from Nebraska. Basically, what the legislative budget was supposed to do was to attempt to fix a limit on all appropriations at the beginning of a session of Congress. The Senator from Nebraska now proposes to get at it in another way, but when it is approached in that way, the finding of the proposed committee would not be binding on the Appropriations Committees of the House and Senate. They can report out whatever appropriations they please.

Let me present to the Senate an idea suggested to the Committee on Appropriations the other day by the Senator from Oregon [Mr. CORDON]. I am sure that his idea is worthy of study. Within 60 days after all March tax returns the Congress will have a better understanding of how much money we can expect to come in to the Treasury from income and excess profits taxes. An intelligent estimate can be made at that time as to what the prospective revenues of the Government will finally be. Congress will know when it has completed action on all the appropriation bills—and it cannot know until the bills have been passed by both the House and the Senate and have been signed by the President—how much money has been appropriated. Only then will Congress know the actual amount appropriated.

If the amount of money appropriated by Congress is greater than the receipts, there is one remedy, and that is to make rescissions of appropriations to the extent that the budget is unbalanced. That can be done intelligently, because Congress will know with much greater accuracy as to what is required to balance the budget.

To set up a duplicate budget agency—its work in a sense will be a duplication of the work done by the President's budget—is a desirable thing if there is not a large but an able staff, which can make accurate use of the information it receives.

But again, after the information is assembled in December or January so that Congress may adopt a budget early in the session, that legislative budget will still not be binding upon either the House Committee on Appropriations or the Senate Committee on Appropriations. It will represent simply some nice fatherly advice as to what the Appropriations Committees should do, but they do not have to do it.

The Senator from Oregon has suggested that Congress as a whole can take the sum of all of the appropriation bills that have been passed and become law, and compare that sum with the amount of money previously taken into the Treasury that spring by way of revenue, and then pass a rescission bill. Congress can pass an intelligent rescission bill much better than it can attempt to handle the matter in the way the Senator from Nebraska [Mr. WHERRY] suggests.

I think the idea, originally expressed by the Senator from Oregon [Mr. CORDON] is worthy of serious consideration.

Mr. WHERRY. I thank the Senator for his observation. He has been a member of and worked on the Committee on Rules and Administration much longer than I have.

I know there are objections to our proposal. Every State in the Union, however, does what we propose to have done by the concurrent resolution. We can do it here. It is simply a question of providing the machinery.

Madam President, I again thank the distinguished majority leader for saying upon the floor that the one thing we need more than anything else is this guide which we now do not have. If the machinery proposed by the concurrent resolution is set up, we can iron out many of the difficulties the Senator from Arizona has mentioned.

Mr. GEORGE. Madam President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. GEORGE. I merely wanted to say, particularly in answer to the question raised by the Senator from California [Mr. KNOWLAND] that the President in his budget does estimate the income for the following fiscal year, and that estimate is based upon December figures, as, of course, corrected until the budget is actually submitted.

Under the January 17 budget it was estimated that the income of the Government for the next fiscal year, fiscal 1950, would amount to \$40,985,000,000. At the same time estimated expenditures were fixed at \$41,858,000,000, or a deficit on the face of those two figures of \$873,000,000. But I wish to make this statement: The Treasury does not, as a general rule, make an estimate after the December estimate, until late July or possibly August of each year. In August I am sure the Treasury will make

another estimate of income. Then we can tell pretty well what the income is.

Under our budget system, and under our taxing system, we cannot have an exact forecast in January for the following fiscal year, for the reason that the corporate taxes are based upon the previous calendar year's business or previous fiscal year's business. In other words, the March 15 returns do not show what the corporate taxes are, and do not give an opportunity to forecast those taxes within themselves, because there could be included in that return nothing but the previous calendar year or the fiscal year of the corporation.

We are on a pay-as-you-go basis so far as individual incomes are concerned. That is, generally speaking, we pay as we go. Under the deduction system in force now a fair estimate can be made of income for the next fiscal year, with this important qualification, that if the income is declining because of a decline in national income, we simply have to guess at it.

I said that the Treasury makes an estimate ordinarily in August. The Joint Committee on Internal Revenue Taxation has a very capable staff. Generally that committee makes an estimate both of expenditures and of receipts, but after all it is not an official estimate. It is simply a congressional estimate made through this agency of the Congress; that is, the Joint Committee on Internal Revenue Taxation.

I thought I should make this statement because under our budgeting system it practically is impossible to forecast what our receipts will be for the fiscal year next after the making of that forecast. After the beginning of the fiscal year and when two full quarters have passed, or a half a year, with payment of corporate taxes permitting some actual basis for estimate, a more accurate estimate and forecast can be made.

That is the situation in which we find ourselves. With individual taxes based upon current income and corporate taxes based upon a calendar or fiscal-year basis, we simply cannot get an exact picture. In order that we may more clearly understand it, let me say that, broadly speaking, one-half the entire revenues of the Government comes from taxes paid by individual taxpayers. Approximately one-fourth comes from corporation taxes, and about one-fourth from excise taxes. I am using only round figures. They are not exact, but, broadly speaking, we have individuals paying one-half of the receipts, corporations paying about one-fourth, and excise taxes accounting for about one-fourth.

Mr. KNOWLAND. Madam President, will the Senator from Nebraska yield to me at this point so that I may ask the Senator from Georgia a question?

Mr. WHERRY. I am glad to yield.

Mr. KNOWLAND. I should like to ask the able chairman of the Finance Committee whether he has the estimates made by the Joint Congressional Committee on Internal Revenue Taxation. He mentioned the fact that some figures

had been prepared, which he pointed out were not official; but unless I missed it he did not give those figures. I am interested in knowing whether any late figures are available.

Mr. GEORGE. I did not give those figures for a reason which seemed to me to be sufficient. I shall frankly state it to the Senate.

The Joint Committee staff has made an estimate. The Joint Committee itself met with the staff during the past week, but the full committee was not present, and it was deemed inadvisable to release the staff estimate until we could have the Joint Committee present. As the Senator will recall, the Joint Committee consists of six Members of the House and six Members of the Senate, divided equally as between the parties. When the committee again meets it probably will release the estimate. However, I cannot be too strong in my statement that it will be simply an estimate made by our own committee staff. That estimate is subject to change. It may change rapidly or it may not change. Generally speaking, the Treasury estimate of receipts has always been a bit low, because the Treasury must necessarily be on the conservative side. In this particular year I do not think anyone can say that the Treasury estimate is low.

Mr. KNOWLAND. Madam President, will the Senator from Nebraska yield to me so that I may ask the Senator from Georgia a further question?

Mr. WHERRY. I yield.

Mr. KNOWLAND. Because of the information which the Senator has furnished, I can fully understand why he did not want to release the figures of the Joint Committee until the committee itself had an opportunity to meet.

Madam President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the information which came over the United Press printer, which gives the Government expenses and receipts for the current fiscal year, through May 9, compared with a year ago. I shall place the exact figures in the RECORD. I read only the round figures.

Government expenses for the current fiscal year through May 9, this year are \$30,456,000,000, compared with \$28,369,000,000 last year; receipts, \$31,981,000,000 this year, compared with \$35,799,000,000 last year; surplus, \$1,523,000,000 this year, compared with \$7,430,000,000 last year; Treasury cash balance, \$3,436,000,000 this year compared with \$4,521,000,000 last year; public debt, \$251,591,000,000 this year compared with \$252,113,000,000 last year; gold reserve \$24,334,000,000 this year compared with \$23,224,000,000 last year.

I ask unanimous consent that the press report be printed at this point in the RECORD as a part of my remarks. The figures may be very helpful.

Mr. WHERRY. They are very helpful, and I thank the Senator.

There being no objection, the press report was ordered to be printed in the RECORD, as follows:

Government expenses and receipts for the current fiscal year through May 9, compared with a year ago

	This year	Last year
Expenses.....	\$30,456,439,953.27	\$28,369,681,625.87
Receipts.....	31,980,111,930.54	35,799,817,028.76
Surplus.....	1,523,671,977.27	7,430,135,402.89
Cash balance.....	3,436,783,642.46	4,521,175,151.58
Public debt.....	251,591,133,570.83	252,113,356,103.61
Gold reserve.....	24,334,633,152.14	23,224,519,498.19

Mr. FERGUSON. Madam President, will the Senator from Nebraska yield to me so that I may ask the Senator from Georgia a question?

Mr. WHERRY. I am glad to yield. I ask unanimous consent that I may yield to the Senator from Michigan for the purpose of asking the Senator from Georgia a question.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. GEORGE. I shall be glad to answer if I can.

Mr. FERGUSON. On Friday of last week the Senator from Michigan inserted in the RECORD similar figures as of March 4. As I understand, yesterday the Commerce Department issued a release with respect to income as of March 15. Has the Senator any information on that subject? The report indicated that the income for March was much lower.

Mr. GEORGE. I have no official information on the subject, unless it has been received in the committee since Saturday. I have been kept away from the Senate for a couple of days.

Mr. FERGUSON. So the Senator is not using any figures that came from the Commerce Department?

Mr. GEORGE. Not at all. However, I saw those figures. As I understand, the Commerce Department figures are based upon an estimate of the first quarter individual receipts as compared with the last quarter of 1948. The figures show a decline of between \$2,000,000,000 and \$3,000,000,000.

Mr. FERGUSON. I thank the Senator.

Mr. GEORGE. No further estimate has been submitted by the Treasury to the Committee on Finance, and I wished to explain that that was not at all unusual, but was rather following the usual course, because the Treasury does not make up its estimate until after the lapse of two quarters in the year.

Mr. LUCAS. Madam President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LUCAS. Apropos of what the distinguished Senator from Georgia has said, I wholeheartedly agree with him with respect to the necessity of the Treasury Department waiting perhaps until August—at least, the second quarter—before attempting to speculate with anything approaching accuracy as to the total amount of revenue that will come into the Treasury of the United States.

However, that in no wise takes away from the point made by the Senator from Nebraska a moment ago with re-

spect to an able, competent, and adequate staff to begin as soon as possible to study the question of expenditures, so that when the Treasury makes the final estimate the staff will have at their finger tips, for the benefit of the Appropriations Committees or other committees of Congress, the total amount of expenditures which it is believed are necessary and the total amount which might be saved, in contrast to the budget laid down by the President of the United States.

Mr. WHERRY. I thank the majority leader for his observation. That is one of the reasons why we offered the concurrent resolution.

Anticipating the very observations made by the distinguished Senator from Georgia, those of us who have studied this question felt that receipts from individual income taxes quarterly would be more or less constant, fluctuating with earnings, and that the corporate taxes would be coming in about the first of August. The resolution provides that the committee shall be established at the beginning of the fiscal year, some time in the month of July, so that not only will they be able to do as the majority leader has suggested relative to formulating policies with respect to expenditures, but in order that they may be on hand to study what information they can get relative to receipts, as was so ably outlined by the distinguished Senator from Georgia.

Mr. AIKEN. Madam President, will the Senator yield so that I may ask the distinguished Senator from Georgia a question?

Mr. WHERRY. I am glad to yield.

Mr. AIKEN. I should like to ask the chairman of the Committee on Finance whether, in estimating the costs of Government, the President includes the anticipated losses of the Commodity Credit Corporation, which this year will undoubtedly amount to several hundred million dollars.

Mr. GEORGE. Usually an item for that purpose is carried in the budget, but I do not believe that in this budget there is a large item for anticipated losses of any of the Federal corporations such as the Commodity Credit Corporation. The President's budget is not what we might ordinarily understand as a cash-budget system. That makes it very confusing. There is an item in the budget, may I say to the Senator, that is carried for that purpose, as indicating losses by Federal corporations, including the Commodity Credit Corporation.

Mr. AIKEN. The Senator from Georgia, who is chairman of the Finance Committee, believes, I am sure, that the losses of Government corporations should be carried as Government expenditures. When the time comes that their capital has to be renewed, or their borrowing power has to be extended, should not a direct appropriation be made by the Congress for that purpose, rather than to resort to the practice, which has prevailed in some years, of authorizing the corporation to borrow from the Treasury, and then simply passing a joint resolution canceling the notes given to the

Treasury, so that the expenditure never appears as an expenditure of Government in any appropriation bill.

Mr. GEORGE. Madam President, I think I am prepared to say to the Senator from Vermont that I agree in principle with him, and I am also prepared to say that under our budgeting system there is hardly any way to find out what the Federal corporations are actually doing.

Mr. AIKEN. Otherwise we might have a balanced budget and still have an increased national debt.

Mr. GEORGE. That is quite true.

Mr. WHERRY. Madam President, unless some other Senator wishes to ask me a question, I shall yield the floor.

Mr. MAYBANK. Madam President, I should like to ask the distinguished minority leader whether there is to be further discussion of the pending measure.

Mr. WHERRY. I have yielded the floor.

Mr. MAYBANK. I ask that question for the reason that several Senators who now are absent have asked me to suggest the absence of a quorum before a vote is taken on this measure.

Mr. WHERRY. I understand the Senator from Vermont wishes to speak for about 2 minutes.

Mr. MAYBANK. The Senator from Washington [Mr. CAIN] wishes to ask a question. Therefore, I shall yield first to him, and thereafter to the Senator from Vermont.

Mr. AIKEN. I should like to have several minutes in my own time.

Mr. MAYBANK. Very well. Of course I did not desire to suggest the absence of a quorum until we were about to vote.

Mr. CAIN. Madam President, I should like to ask several questions of the able Senator from South Carolina who is managing the Treasury-Post Office appropriation bill here on the floor.

In the Coast Guard section of the committee report, on page 4, the statement is made:

The committee also disapproved the sum of \$3,500,000 to initiate a training program for Reserve personnel of the Coast Guard. This item was submitted in supplemental estimates, Senate Document 25.

I should like to say to the distinguished Senator that because of the importance of the intended Coast Guard activities and because of the expected large-scale interest in the subject, I think the RECORD would benefit materially if the Senator from South Carolina would offer some explanations in regard to the deleting of the item from the bill, as the committee has reported it to the Senate.

Mr. MAYBANK. I shall be glad to do so, and it will not take long.

Of course, the Senator from Washington has correctly stated the action in regard to the Coast Guard items. I may say that in the committee we disregarded the item of \$3,500,000 for initiating a training program for the Coast Guard Reserve, for the reason that the estimate for that purpose was a supplemental estimate. The Bureau of the Budget did not approve and submit any estimate for the Coast Guard Reserve, when the Coast Guard items were being considered by the House committee.

Representatives of the Coast Guard did not testify on that matter before the House committee, as will be noted by referring to page 11 of the House committee report, where the following language appears:

Coast Guard Reserve: The budget estimate contained no provision for activities of the Coast Guard Reserve. The subject was discussed at length by the committee and it was ascertained that plans are now under way to encourage activities on the part of Reserve personnel of the Coast Guard. The committee is sympathetic with the establishment of a Coast Guard Reserve program to enable the service to hold the interest of those who served during the war and are now in civilian life.

I may say here that I am in thorough sympathy with the statement of the committee in the report. In my judgment, the Coast Guard Reserve is to be given the same consideration as the Army Reserve or the Air Force Reserve or the Navy Reserve. Nevertheless, the Coast Guard Reserve submitted no program. It had nothing to present to the House committee, so finally the House committee concluded its report as follows:

It is understood that budget estimates are now being considered for instituting this program and the committee will give the subject most serious consideration when the matter is formally submitted.

That is the report of the House committee to the House of Representatives.

Of course there was then no time for representatives of the Coast Guard to appear before the committee, because the hearings had already been completed.

The Senate committee voted to increase the appropriations in the amount of \$3,708,000, for two items, namely, pay and allowances and general expenses. The committee took that action in order to retain the military strength of the Coast Guard and also to authorize ocean weather stations.

However, inasmuch as there had been no hearings on the Coast Guard Reserve and inasmuch as no budget estimate had been provided, we were fearful that if we went ahead on that item simply on our own, such action on our part might endanger the taking of favorable action by the Congress on the items for pay and allowances and general expenses, including the item for the ocean weather stations.

Mr. CAIN. Madam President, I am grateful to the Senator from South Carolina for his explanation.

Inasmuch as the problem of what to do regarding the Coast Guard Reserve is certain to be before the Congress at a future date, I wonder whether the Senator will define the primary function and mission of the Coast Guard Reserve, as laid down in legislation which has been passed by the Congress and approved by the President.

Mr. MAYBANK. I shall be very glad to do so.

However, first I should like to have printed at this point in the RECORD a memorandum about this matter which I sent to several Senators.

The PRESIDING OFFICER. Without objection, the memorandum will be printed at this point in the RECORD.

The memorandum is as follows:

MAY 5, 1949.

MEMORANDUM TO SENATOR JOHNSON OF TEXAS
ON SUBJECT OF COAST GUARD RESERVE TRAINING PROGRAM

Supplemental estimate, Senate Document 25, requested an appropriation of \$3,500,000 to initiate a training program for Reserve personnel of the Coast Guard. The statutory authority for the Coast Guard Reserve and the Reserve training program is contained in the act of February 19, 1941 (14 U. S. C. 301, et seq.).

The Senate Committee on Appropriations considered the above-mentioned request during its hearing on the 1950 Treasury-Post Office bill, H. R. 3083, and in its report No. 310 to the Senate on April 29, 1949, stated the following:

"The committee also disapproved the sum of \$3,500,000 to initiate a training program for Reserve personnel of the Coast Guard. This item was submitted in supplemental estimate, Senate Document 25."

The House Committee on Appropriations did not consider the 1950 estimate for Reserve training as the item was not before their committee during its consideration of the regular bill. However, their report (No. 168), submitted with the 1950 bill, made the following comment:

"Coast Guard Reserve: The budget estimate contained no provision for activities of the Coast Guard Reserve. The subject was discussed at length by the committee and it was ascertained that plans are now under way to encourage activities on the part of Reserve personnel of the Coast Guard. The committee is sympathetic with the establishment of a Coast Guard Reserve program to enable the service to hold the interest of those who served during the war and are now in civilian life.

"It is understood that budget estimates are now considered for instituting this program and the committee will give the subject most serious consideration when the matter is formally submitted."

Mr. MAYBANK. Madam President, the question the Senator from Washington has asked me can be answered by referring to the side slips on the hearings of the Subcommittee of the Appropriations Committee on the Treasury-Post Office Appropriation bill, at page 77. At that point the following appears:

BASIC MISSION

The basic purpose of the Coast Guard Reserve training program is to have ready for immediate action a nucleus reserve of 2,469 officers and 26,645 enlisted men to perform the following functions:

BASIC RESERVE PERSONNEL REQUIREMENTS BY FUNCTIONS

Type of duty:

1. Port security: COTP, beach patrol, harbor master units.
2. Vessel augmentation: Cutters (ocean station), patrol craft (inshore and offshore), icebreakers.
3. HF/DF.
4. Merchant marine.
5. Aids to navigation: Visual aids, loran.
6. Search and rescue: Aviation, small surface craft.
7. Communications.
8. Administrative.

Port security comprises the enforcement of safety regulations for the protection of waterfront facilities and vessels in harbors; the prevention, detection and fighting of fires in harbor areas; supervising or handling and storage of explosives and other dangerous cargoes; implementing pertinent sections of the Espionage Act; controlling the movement and anchoring of vessels in harbors; boarding and examining vessels entering United States

ports; controlling the entry of personnel to harbor areas through the issue and examination of identification cards. For these purposes, the Coast Guard proposes to organize reserve personnel into three types of units:

1. A captain of the port unit will be established in 1950 for each harbor in the United States, beginning with major harbors, such as Boston, New York, Norfolk, Seattle, and San Francisco.

2. Harbor master units will be established for operation at overseas areas.

3. Beach patrol units will be set up for the prevention of illegal landings, the enforcement of "black-out" and other similar wartime restrictions, and for the rescue of and aid to shipwrecked personnel along the United States coast.

Augmentation of vessel complements: A national emergency will immediately place an additional work load on the Coast Guard's ocean station vessels, patrol craft, and ice breakers. These vessels will be required to be under way most of the time; will have to maintain double the number of men on watch; and, will have to man electronic detection and ordnance equipment full time to carry out their missions.

High-frequency direction-finding stations: These stations which are now in an inactive status will have to be manned immediately in order to detect, identify, and evaluate high-frequency radio signals, so as to locate distressed vessels and aircraft promptly.

Marine inspection: This function includes the inspection of merchant vessels for matériel standards, such as boilers, hull, lifeboats, rafts, fire-fighting equipment, and similar safety devices, and the establishment of load line limits. An emergency will increase the Coast Guard's work load in respect to the larger number of merchant vessels. This function also includes the conduct of examinations for licensing merchant marine officers and for certification of merchant seamen. In addition to the reserve personnel which must be trained to augment the merchant-marine inspection staffs in the United States, the Coast Guard must organize "hearing units" to conduct "on the spot" investigation of merchant marine disciplinary cases and license examinations at overseas ports where American shipping will be concentrated.

Search and rescue: Wartime requirements for search and rescue will impose a much heavier work load in locating vessels, aircraft, and personnel in need of assistance and in rendering the assistance. Reserve personnel must be provided for additional Coast Guard aircraft and small rescue craft.

Communication: Since a war or similar emergency will generate a large work-load increase for communication facilities, in respect to the volume of transmissions and the maintenance of security reserve personnel must be ready to meet this requirement immediately.

Administrative: The reserve organization must provide personnel for the establishment and maintenance of personnel records and pay accounts, and for the administration of personnel in respect to military morale, welfare, and medical assistance. In addition, personnel must be provided for transportation services, and supply, legal advice, and public information. Finally, to provide a nucleus for further expansion, reserve personnel must be trained and available to man additional training facilities.

Mr. CAIN. Madam President, I should like to ask the Senator if it is a fact that the Coast Guard Reserve is the only agency of our Government which is charged with responsibility for port security, encompassing all the ports under the jurisdiction of our Government.

Mr. MAYBANK. To the best of my knowledge, the Senator from Washington is entirely correct.

Again I wish to say that I am as distressed about the Coast Guard Reserve's having no program at all as is the Senator from Washington. I do not wish to place on any particular person the blame for that situation, because I do not know the facts. But I know that the representatives of the Coast Guard did not go to the Bureau of the Budget or to the House committee with a request for the inclusion of items for that purpose in the appropriation bills; and I know that in the closing hours of the handling of the bill by the subcommittee of the Senate Appropriations Committee—as a matter of fact, I think the Senator from Arizona will confirm my statement that it was on the last day when the subcommittee was handling the bill—representatives of the Coast Guard came to us—

Mr. HAYDEN. That is correct.

Mr. MAYBANK. But then it was too late.

Many Members of the Senate have spoken or written to me about this item. It is a subject of deep concern to many of us, I may say.

Mr. CAIN. I wish to say that the Senator from Washington is fully conscious of the consideration given to the item by the Appropriations Committee. But I do feel that it is most helpful to indicate to others who are interested how it came about that a most necessary activity is not being implemented, I do not say through dereliction, but because of a certain procedure that did not result in properly presenting the matter in its entirety before the committees of the House.

Mr. MAYBANK. And before the Bureau of the Budget.

Mr. CAIN. Certainly. With the Senator's indulgence and permission, I have several other brief questions. Perhaps the Senator will agree with me that in a security sense, we as a Nation ought to be conscious of the fact that until we actually activate the Coast Guard Reserve, we shall be without an agency responsible for properly securing the ports of America.

Mr. MAYBANK. The Senator is eminently correct. I can well remember the wonderful work the Coast Guard did at the beginning of World War II, not only in looking after the ports but all the bridges adjacent to the ports, and all travel in and out of the ports.

Mr. CAIN. If the Senator will yield further, I have two more questions. I think it was in the Eightieth Congress that a bill known as Public Law 810 was passed. If my understanding is correct, the bill provides retirement benefits and privileges from members of the Air, Navy, Army, and Coast Guard Reserves.

Mr. MAYBANK. The Senator is eminently correct. I happen to have had the particular good fortune of being on the Armed Services Committee at that time with the chairman, the distinguished Senator from North Dakota [Mr. GURNEY], and I was a member of the subcommittee that handled the bill and brought it to the floor.

I desire to place in the RECORD at this point a brief statement entitled "Retirement Rights for Reservists," appearing at

page 81 of a memorandum on amendments submitted to House bill 3083.

There being no objection, the statement was ordered to be placed in the RECORD, as follows:

RETIREMENT RIGHTS FOR RESERVISTS

This is still another phase of the Reserve problem, which cannot be overlooked. Last year the Congress passed a bill known as Public Law 810, which establishes certain retirement rights for members of all Reserve components, provided such members meet annually certain training requirements.

The bill was designed, of course, for the other armed services as an incentive to Reserve members to train regularly. The members of the Coast Guard Reserve come under the provisions of this law and unless we are prepared to provide this training the Coast Guard is unable to meet the responsibilities charged to it by Public Law 810. This is not fair to the members of the Coast Guard Reserve who joined during the war and would now like to continue their affiliation on a basis that is comparable with that of personnel who joined other Reserve components.

The Reserve training program contemplated by the Coast Guard has been designed to utilize Naval Reserve training facilities wherever practicable. The estimates before this committee will, if approved, provide funds for the Coast Guard to establish an active Reserve organization trained for the functions that the Coast Guard will be called upon to discharge immediately should an emergency arise and which in no way duplicates those of any other armed service.

The importance of a Reserve component to the Coast Guard and to the national defense cannot be too strongly urged. It is, therefore, requested that the amount of \$3,500,000 be appropriated to initiate the program.

Mr. CAIN. I would point out to the Senator from South Carolina that it seems seriously ironic that without any bad intention on the part of anybody we are providing privileges and benefits and opportunity to Reserve officers and enlisted personnel in the Army, Navy, and Air Force Reserve.

Mr. MAYBANK. And also the marines

Mr. CAIN. And the marines, likewise; while at the same time, until the Naval Reserve Corps is activated, we are absolutely prohibiting its membership from taking advantage of the terms laid down by Public Law 810.

Mr. MAYBANK. I cannot differ with the Senator from Washington. I may only say the plans were not before the committee at the proper time. I may as well be frank with the Senator. From the testimony I heard, I did not think the plans which were presented at that time were sufficient, even when they came to us on the last day. I think we ought to obtain complete and thorough plans and have them approved by the budget, to be limited to what the budget may be forced to limit them, and to go before the House, either on a supplemental or deficiency bill, have a day in court, and then take the matter up before a Senate committee. If I can help in some small way as a member of the subcommittee, I shall be glad to do so, but at the time referred to there was nothing that either the chairman or any other member of the committee could do that we thought would be upheld by the House, and that

would not cause conflict with respect to the legislation.

Mr. CAIN. I am thoroughly and completely in accord with the explanation given by the able Senator. The Senator from South Carolina has answered fully and clearly the last question I had in mind, which was simply going to be, would it not be proper, because of the importance of the program and the security of America, for the Coast Guard Reservists, under the jurisdiction of their naval and Treasury Department leadership, to again present their proposal at the next opportunity as a deficiency or supplemental appropriation, in full knowledge that there would be no lack of willingness on the part of the Appropriations Committee of the Senate thoroughly to examine the merits of the problem.

Mr. MAYBANK. Of course, I cannot speak for the Senate committee as to what the appropriations may or may not be, but I do know that every member of our subcommittee and every member of the full Committee on Appropriations of the Senate certainly wanted to know the problems of the Coast Guard, and were very much disappointed that they did not have an over-all picture as to the cost and the value from a defense standpoint, and the other worthwhile things the Coast Guard has so ably carried on for many years.

Mr. CAIN. In expressing my appreciation to the Senator from South Carolina for the fullness of his answers, I may say that from my point of view the advice he has just given to the Navy Department—

Mr. MAYBANK. Of course, the Coast Guard comes under the Treasury, as the Senator knows.

Mr. CAIN. Yes, and to the Coast Guard leadership, is both sensible and reasonable, and a guide to Senators, and they will not lose heart as a result of the unfortunate oversight, but will continue their efforts until activation has actually come about.

Mr. MAYBANK. I thank the Senator.

Mr. CAIN. I thank the Senator from South Carolina.

Mr. AIKEN rose.

Mr. MAYBANK. As I understood, the Senator from Vermont desired me to suggest the absence of a quorum.

Mr. AIKEN. No; I merely want to speak briefly.

Mr. MAYBANK. I understood that, but does the Senator desire me to suggest the absence of a quorum at this time?

Mr. AIKEN. I can complete what I have to say before we have a quorum call.

Although I agree that the amendment offered by the Senator from Michigan on behalf of himself and the Senator from New Hampshire, has a very worthy objective, and although I agree that probably from 5 to 10 percent of the Government expenditures could be eliminated, with the full cooperation of the executive branch of the Government, yet I do not feel that the amendment offered by the Senator from Michigan and the Senator from New Hampshire would accomplish its objective, if we delegate to the executive branch or to any department of that branch of the Government au-

thority to cut the appropriations or to fix the appropriations in any way. We should profit from past experience and realize that the departments to whom we delegate such authority and give such instructions are likely to cut the appropriations in such a manner as most to embarrass the Congress. That has been done. There is no reason to believe it would not be done again.

I feel that one of our greatest troubles in the management of Government today is the fact that we have delegated too much authority and responsibility to the executive branch. The executive branch has been quick to accept any authority delegated to it, but it has not been so eager to assume responsibility for the things that go wrong. In fact, since I have been in the Senate, that branch of the Government has lost no opportunity to place the blame upon the Congress so far as possible for things that have gone wrong through the folly or negligence of the executive branch.

In approving the amendment, we are simply inviting a recurrence of that situation. If it is determined that we can no longer maintain appropriations at the level requested by the departments, and that a cut must be made somewhere, then that cut should be made by the Congress itself. Authority for making cuts should not be delegated to any branch of the executive departments.

If we determine that a reduction should be made, the bill should be re-committed to our own Committee on Appropriations, with instructions to make such reduction. I assume the committee would confer with the particular branch of the executive department concerned and arrive at its conclusions after such conference had been held. I think that is the proper way to handle the situation. I do not think we would achieve our objective or enhance the cause of good government by simply instructing the executive branch of the Government to make the reductions where it sees fit. I am quite sure the latter course would react against us in the long run.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] for himself and the Senator from Michigan [Mr. FERGUSON] to suspend the rule to make a certain amendment in order.

Mr. BRIDGES. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Downey	Hickenlooper
Anderson	Eaton	Hoey
Baldwin	Ellender	Holland
Brewster	Ferguson	Humphrey
Bricker	Flanders	Hunt
Bridges	Frear	Ives
Butler	Fulbright	Jenner
Byrd	George	Johnson, Colo.
Cain	Gillette	Johnson, Tex.
Capehart	Green	Johnston, S. C.
Cordon	Gurney	Kefauver
Donnell	Hayden	Kenn
Douglas	Hendrickson	Kilgore

Knowland	Millikin	Sparkman
Langer	Morse	Stennis
Long	Mundt	Taft
Lucas	Murray	Taylor
McCarran	Myers	Thomas, Utah
McCarthy	Neely	Tobey
McClellan	O'Connor	Tydings
McFarland	O'Mahoney	Vandenberg
McGrath	Pepper	Watkins
McKellar	Reed	Wherry
McMahon	Robertson	Wiley
Magnuson	Russell	Williams
Martin	Saltonstall	Withers
Maybank	Smith, Maine	Young

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON] to suspend the rules. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. What is the question being voted on?

The VICE PRESIDENT. The vote is on the motion to suspend the rules to make in order the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON].

The legislative clerk resumed and concluded the calling of the roll.

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Alabama [Mr. HILL] are absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senators from Oklahoma [Mr. KERR and Mr. THOMAS] are absent by leave of the Senate on official business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Oklahoma [Mr. KERR] is paired on this vote with the Senator from New Jersey [Mr. SMITH] and the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from New Jersey and the Senator from Minnesota would vote "yea."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from Massachusetts [Mr. LODGE] and the Senator from Kansas [Mr. SCHOEPPPEL]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Massachusetts and the Senator from Kansas would vote yea."

If present and voting, the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Alabama [Mr. HILL], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr.

SMITH], who is absent because of illness, and the Senator from Minnesota [Mr. THYE], who is absent by leave of the Senate, are paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from New Jersey [Mr. SMITH] and the Senator from Minnesota [Mr. THYE] would vote "yea," and the Senator from Oklahoma [Mr. KERR] would vote "nay."

The Senator from Massachusetts [Mr. LODGE], who is necessarily absent, and the Senator from Kansas [Mr. SCHOEPPPEL], who is absent by leave of the Senate, are paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from Massachusetts [Mr. LODGE] and the Senator from Kansas [Mr. SCHOEPPPEL] would vote "yea," and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The Senator from Nevada [Mr. MALONE] is detained on official business. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea."

The result was—yeas 37, nays 45, as follows:

YEAS—37

Baldwin	George	Mundt
Brewster	Gurney	Reed
Bricker	Hendrickson	Saltonstall
Bridges	Hickenlooper	Smith, Maine
Butler	Ives	Taft
Byrd	Jenner	Tobey
Cain	Johnson, Colo.	Vandenberg
Capehart	Kem	Watkins
Donnell	Knowland	Wherry
Douglas	McCarthy	Wiley
Eaton	McMahon	Williams
Ferguson	Martin	
Flanders	Millikin	

NAYS—45

Aiken	Johnson, Tex.	Murray
Anderson	Johnston, S. C.	Myers
Connally	Kefauver	Neely
Cordon	Kilgore	O'Connor
Downey	Langer	O'Mahoney
Ellender	Long	Pepper
Frear	Lucas	Robertson
Fulbright	McCarran	Russell
Gillette	McClellan	Sparkman
Green	McFarland	Stennis
Hayden	McGrath	Taylor
Hoey	McKellar	Thomas, Utah
Holland	Magnuson	Tydings
Humphrey	Maybank	Withers
Hunt	Morse	Young

NOT VOTING—14

Chapman	Kerr	Smith, N. J.
Chavez	Lodge	Thomas, Okla.
Eastland	Malone	Thye
Graham	Miller	Wagner
Hill	Schoeppel	

The VICE PRESIDENT. On this vote the yeas are 37, the nays are 45. Two-thirds of the Senate not having voted in favor of the motion, the motion is rejected.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment which I ask to have stated for the information of the Senate.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 49, line 19, it is proposed to strike out the period and insert in lieu thereof a colon and the following: "Provided further, That not to exceed ninety-five per centum of the fund provided by any appropriation made by this act for the fiscal year ending June 30, 1950, shall be expended or obligated by the department, agency, or corporation to which such appropriation is made."

Mr. KNOWLAND. Mr. President, I offer the amendment on behalf of myself, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Michigan [Mr. FERGUSON], and the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California for himself and other Senators.

Mr. MAYBANK. Mr. President, I wish to make a statement after the Senator has spoken on his amendment.

Mr. KNOWLAND. Mr. President, the amendment is offered as a limitation in the appropriation bill. The discussion early in the day I think has clearly indicated that with the estimated receipts which the Government of the United States will have available to it, and with the expenditures which are now in prospect, the chances are very strong that we will have a substantial deficit at the end of the next fiscal year, and a very strong possibility of at least \$800,000,000 deficit at the end of this fiscal year.

I merely want to call to the attention of the Senate the fact that the Federal tax receipts for the year 1943, which was after the United States had gone into World War II, and already had available to it some high revenue taxes growing out of the war, amounted in that year to only some \$22,570,000,000. The Federal tax receipts went up considerably from that period of time, but I think that any prudent person must recognize the fact that if there is a falling off of the over-all business income and personal income in the Nation it is not at all impossible that the Federal revenues would not only decrease by perhaps \$3,000,000,000 or \$4,000,000,000, but might plunge downward considerably below that figure.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. I wish to ask the Senator from California if his amendment would affect every item in the bill by 5 percent

Mr. KNOWLAND. That is correct.

Mr. MAYBANK. I should like to ask the Senator from California if he believes we can cut every item in the Post Office Department 5 percent, when the record shows that the expenditures of the Post Office Department have been increased because of raises in salaries, and so forth, and so on, last year, and other legislation which was passed affecting the Post Office Department, in view of which the Department practically admits that it will operate at a deficit of \$409,000,000 unless postal rates are raised.

Mr. KNOWLAND. I misunderstood the Senator's question. It will affect each department, agency, or corporation the over-all amount allotted to each department, agency, or corporation. They cannot expend or obligate more than 95 percent of the amount provided in the bill.

Mr. MAYBANK. That is what I understood the Senator to say. I simply cannot understand why an attempt is made to cut the Post Office 5 percent

on all its items, when, by Public Law 900 postal salaries were raised \$220,000,000, and when the Post Office Department, frank and honest, as it always is with the American public, states in its report that as the situation now is the Department is going to operate under a deficiency of \$409,000,000. If a cut of 5 percent is made by the Senator's amendment that will mean the Department will have that much more of a deficit. Am I wrong in that statement?

Mr. KNOWLAND. I will say to the able Senator who is in charge of the bill that it was my privilege to serve as a member of the Appropriations Committee for 2 years. I have yet to find a Government department or agency which comes forward and shows where it can make a reduction below the budget estimate. As a matter of fact, 2 years ago, and also a year ago, bureau representatives came before the subcommittee of which I was privileged to be the chairman. Later in my office several of them said, "Senator, we know that your committee is going to make a reduction. In our judgment a reduction can be made. But word has been passed down through the various agencies of the Government that they must stand on the budget estimates as submitted by the Director of the Budget and the President of the United States. Now," they said to me, "Senator, providing you will not disclose our identity we can show you where reductions can be made in the budget that will not be harmful to our particular agency."

Mr. President, I admit that the problem of cutting expenditures is a very difficult one. But it is no more difficult than the problem which is faced by the American people in having to dig up taxes to support their Federal Government, to support their State governments, and to support their local governments.

Mr. President, we are rapidly coming to the jumping-off place. The Senate, as a responsible body, which I believe the Senate of the United States to be, is faced with two alternatives. We can either find ourselves in a position where we will not have sufficient revenues to balance the budget, in which case we can levy new taxes, and that is a considerable responsibility when the levying of new taxes may tend to undermine business confidence in this country. Or we can go on another spree of deficit financing, and if we do that we may jeopardize the solvency of the Federal Government itself.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. The Senator has suggested that we might increase taxes. True, we might increase the rates, but I suggest that in a declining economy that may not mean an increase in revenue.

Mr. KNOWLAND. To the contrary, it may mean a decrease in revenue. I quite agree with the able Senator from Colorado, former chairman of the Finance Committee. There have been a number of instances in the country's history when an increase in tax rates has actually resulted in a decrease in revenue, and other instances when a decrease in

the tax rate has actually resulted in an increase in the Federal revenue.

So it seems to me, Mr. President, that we are faced with a problem, and under our responsibilities as Senators of the United States we had better begin now with the first of the major appropriation bills that will come to a vote on the floor of the Senate, to make what is a modest reduction in the over-all cost.

I want to repeat to the Senate that in the appropriation bills which have passed the House of Representatives up to this time—and if my information is correct, all the major supply bills have now passed the House of Representatives are some \$4,200,000,000 more than the same bills carried last year. There has to be an end to such procedure. In the interest of a solvent Federal Government and a sound national economy we have to bring and keep our budget into balance, and it is certainly not too much to ask that these Government departments cooperate to the extent of making a 5-percent reduction.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. VANDENBERG. I ask the Senator for an interpretation of the fashion in which his amendment will operate. Does it mean to apply a 95 percent over-all limitation to the total appropriation, or is it an automatic 95 percent limitation on each individual item?

Mr. KNOWLAND. No, it is meant to apply a 95 percent limitation to the over-all funds allotted to the Departments, agencies and corporations concerned.

Mr. VANDENBERG. So that the same option remains in the management of the agency to exercise its own best judgment in making this housekeeping reduction?

Mr. KNOWLAND. That is the judgment of the junior Senator from California, and the intention under the amendment.

Mr. FERGUSON. But the amendment does not include the limitation that the head of an agency may not make a greater reduction than 20 percent in any division.

Mr. KNOWLAND. That is correct.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. I wish to say to the distinguished Senator from California that I am thoroughly in sympathy with his desire to effect economies. With respect to these two particular agencies, I was a member of the subcommittee. I examined them very carefully. I did not see how we could cut the Post Office Department, when it is estimated that even with the funds allowed them in the bill, they will still have a deficit. I did not see how we could cut the Treasury Department on the evidence which was before us, without taking something away from our strategic stockpiling program, and reducing the number of new internal revenue agents.

The Senator refers to supply bills which have passed the House, carrying appropriations of \$4,000,000,000 more than the budget of last year. I remind him that there are three deficiency bills,

totaling more than \$2,000,000,000, which we must add to what was appropriated last year, before we finish the current fiscal year.

Mr. KNOWLAND. We also had deficiency bills a year ago, which were included in the year-to-year comparison.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CORDON. I desire to inquire with reference to the legal effect of the amendment in case it should be adopted. My inquiry is somewhat along the line of that made by the distinguished Senator from Michigan [Mr. VANDENBERG].

The Senator from California answered the Senator from Michigan by saying that it was his purpose in offering the amendment to make it applicable to the single total appropriation to the Post Office Department, and the single gross total appropriation to the Treasury Department. However, I invite the Senator's attention to the language of the amendment, and then I shall make my inquiry. The proviso is as follows:

Provided further, That not to exceed 95 percent of the funds provided by any appropriation made by this act for the fiscal year ending June 30, 1950, shall be expended or obligated by the department, agency, or corporation to which such appropriation is made.

The language is "the funds provided by any appropriation made by this act." The mechanics of making the appropriation raise the question which is bothering me. For example, on page 26 of the bill, under the heading "Retired pay" is a sum appropriated to provide retired pay for commissioned officers, enlisted personnel, and other members of the former Life Saving Service. That amount, whatever it may be, is a fixed amount. The Government owes it to those people as retirement pay under appropriate law. Unfortunately, the figure of \$13,134,000 stands out as an individual, separate appropriation for a specific purpose. I cannot understand how the reduction can be made on an over-all basis, and at the same time not apply to this item, which is an appropriation in the bill. If there is a way to do it, I am in sympathy with the approach that is made. While I shall vote against the Senator's amendment with reference to this bill—and I shall discuss that question in a moment—I am in sympathy not only with the approach that is made, but with the thing sought to be done. With reference to any but straight service appropriations, such as this one is, I think I shall go along time after time with the attempt to do what is suggested. I cannot do it here. Frankly, in this instance I do not see how it could be done. Can the Senator enlighten me as to the *modus operandi*?

Mr. KNOWLAND. I will say to the able Senator from Oregon that it was the intent of the junior Senator from California to provide by this means that the department head, the agency head, or the Government corporation head, should have his funds limited so that he could neither expend nor obligate the funds provided in the bill to an extent greater than 95 percent of the total amount of the appropriation. As a prac-

tical matter, I believe that the department head would of necessity have to apply such a reduction pretty generally throughout his entire department. So to that extent I agree with the Senator from Oregon that as a practical matter, the department head or the agency head would very likely have to go through the department and make reductions which, in the aggregate, would amount to 5 percent of the various items in the bill.

Mr. CORDON. Then, as I understand, it is the Senator's view with respect to this item—and I take this item because I want a concrete example—or any item such as the retired pay item, which we may assume for the purpose of this argument to be fixed by statute, that 5 percent of that amount would have to be taken from some other item or items in the bill.

Mr. KNOWLAND. I believe that would have to be done in order to follow out the congressional intent. In other words, the total allocation of funds for the particular department could not exceed 95 percent of the amount appropriated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LUCAS. As I understand the report on this bill, the amount reported to the Senate is \$3,113,068,503.93. If the Senator's amendment should prevail, it would mean that the various agencies in the Treasury and Post Office Departments, the Export-Import Bank, and the Reconstruction Finance Corporation, would be required to dispose in some manner of practically \$150,000,000 in the rearrangement for the entire agency, so far as the functioning of that particular agency is concerned. Am I correct?

Mr. KNOWLAND. The Senator is correct.

Mr. LUCAS. In other words, instead of the Congress of the United States saying how the \$150,000,000 reduction should be applied, it is proposed to delegate the authority to three or four individuals who head those agencies to deal with the \$150,000,000.

Mr. KNOWLAND. Within the overall limitation which the Congress establishes.

Mr. LUCAS. I understand that. Even with that statement, we cannot get away from the fact that the Congress is giving to a few men at the head of the various agencies the over-all power to deal with \$150,000,000 as they see fit. In other words, they would have the full discretionary power to eliminate the \$150,000,000 in any way they might think would be to the best interest of the agency, and we would have no check whatsoever over that action.

Mr. KNOWLAND. I will say to the able Senator from Illinois that so far as the junior Senator from California is concerned, if it can lead to some economy in the Federal Government, the junior Senator from California, within the total amounts allowed by the Congress—which, after all, fundamentally holds the purse strings—is perfectly willing to give additional power to the executive branch for the purpose of ef-

fecting some economies. Unless we are willing to do that, I do not see how we are ever going to bring the Government within due bounds.

At the present time I believe that many responsible Members of the Congress feel that we have almost started a chain reaction, in which expenditures of the Federal Government are getting out of hand. Unless we can have a co-operative attitude as between the Congress and the executive departments, so that both branches of the Government will be looking for at least some modest economy in the Federal Government, it seems to me that we are opening up a Pandora's box. We may find a bankrupt Government on our hands.

Mr. LUCAS. I do not altogether disagree with my able friend from California. The only point I rise to make is the one which I have already made, and I repeat it. The Congress of the United States would be delegating a vast amount of authority, it seems to me. In other words, instead of our own committees and staffs of experts determining where the \$150,000,000 reduction should be made, we would delegate to one individual, or three or four individuals, the sole power and authority to deal with the \$150,000,000. That is a tremendous power; but the Senator from California says he does not care, so long as \$150,000,000 is saved.

But the Senator from Illinois does care, for this reason: I should hate to see some prejudicial person—and I am afraid that persons of that sort are to be found in almost any of the departments of the Government—cripple important phases of activity in one or more of the departments, as a result of the power which such a person might have if he could control the expenditure of \$150,000,000. For instance, it might be that some important function of the Post Office Department would be crippled, and, instead, another agency of the Government might be permitted to mushroom or expand beyond all reason.

Mr. KNOWLAND. Mr. President, in answer to the Senator from Illinois, I say that of course it was the hope of those who offered the amendment which was voted on just prior to the offering of this one that any drastic reduction would be avoided in any segment of the budget by limiting the reductions to be made to between 5 percent and 20 percent. But the Senate turned down that amendment, by refusing to suspend the rule.

Now we are trying to reach this problem in another way. I should have preferred the other method, which is close to us. However, as Grover Cleveland once said, we have a condition, not a theory, confronting us. Mr. President, is the Senate going to recognize that fact before the adjournment is taken on July 31, or whenever it may be taken? Are we going to vote new taxes, or are we going to take the position that we are not concerned about deficit financing? Certainly we shall have to make a choice as between them. Instead of waiting until all the appropriation bills have been passed, when it will be too late to take

action of the sort we now propose, we are trying to bring this matter forcibly to the attention of the Senate and the Nation, so that a modest reduction can be made at this time.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield for a question.

Mr. CORDON. With respect to the argument which may be made that the amendment would place too much power in the hands of any one of the departments, since the amendment would give the power to make a 5-percent reduction in Government expenditures, I should like to call attention to the fact that under the Accounting Act of 1921, the Chief Executive may refuse to spend any of the money provided by appropriation bills, if he wishes to do so. The fact that the appropriation has been made does not carry with it any mandate to spend the money.

As I have said, I shall vote against the Senator's amendment—

The VICE PRESIDENT. The Senator from California yielded for a question; not for a statement.

Mr. KNOWLAND. Mr. President, the Senator from Oregon was asking me whether I knew that what he referred to was correct. I say I do know it is correct, and as the able Senator from Oregon knows, that power was used just a few years ago to completely suspend operations in certain flood-control and reclamation projects throughout the country. So, Mr. President, despite the fact that the Congress appropriated the money, one man—namely, the President of the United States—on his own authority suspended the operations which had been clearly outlined under the expression of congressional intent.

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield for a question.

Mr. CORDON. May I say to the Senator that in my own time, and taking such time as may be necessary, I shall endeavor to cover the matters which I believe could have been more clearly covered by permitting at this time a short statement to be made or a little colloquy to be had with the Senator from California.

Mr. O'MAHONEY obtained the floor.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Has the Senator from California yielded the floor?

The VICE PRESIDENT. He has, and the Chair has recognized the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I desire to make a few remarks about the pending amendment. I rise because I happen to be chairman of the subcommittee of the Appropriations Committee to which has been assigned the task of passing upon the appropriation bill for the independent offices.

I feel that an amendment of this kind is merely an invitation to the members of the subcommittee to disregard their

responsibilities. That fact is illustrated very clearly, I think, by the bill now before the Senate.

In the first place, the amendment the junior Senator from California has offered provides, in very simple language, that—

Not to exceed 95 percent of the funds provided by any appropriation made by this act * * * shall be expended.

There is a direct and explicit order that every appropriation item in this bill shall be cut by 5 percent.

The Senator from California says that was not his intent. Certainly I respect his statement. He says he intended only to require and to direct that the head of every department affected cut the appropriation for his department 5 percent, and exercise his discretion in that connection. However, that is not the mandate which the Senator has now asked the Senate to make. The amendment would require that—

Not to exceed 95 percent of the funds provided by any appropriation made by this act * * * shall be expended.

Mr. President, it happens that there are—I have inquired of the chairman of the subcommittee in charge of the Treasury-Post Office appropriation bill—some 59 items of appropriation in the portion of the bill which refers to the Post Office Department. Of those 59 items, the Senate Committee on Appropriations felt that the amounts provided by the House of Representatives for 30 of them were too low. So the Senate Appropriations Committee, having met in official session and having listened to the evidence of witnesses, recommended to this body that 30 of the 59 appropriation items be increased in amount. Some of those items have been increased in amount more than 5 percent; some, less than 5 percent; and every one of those recommendations was formally approved by the Senate on this floor.

So the proposal now before us is not only that we shall reverse the action of the Appropriations Committee, which I think was diligent in its consideration of this bill, but also that we shall reverse the action which we ourselves already have taken upon this floor.

There can be no doubt that that is the effect of the proposal; and I should like to give one or two illustrations to make clear precisely what would happen if the amendment were adopted.

I turn at random to page 31 of the bill. There, under the heading "Office of the Chief Inspector," we find, in line 11, an item of appropriation for the personal services of 15 inspectors in charge of divisions and 800 inspectors. This is the appropriation which will make it possible for the postal inspectors of the Post Office Department to inspect the operations of the Post Office Department throughout the country. Having served in the Post Office Department as First Assistant Postmaster General, I know how important it is in the public interest that the postal inspectors shall carry on their work.

When the House of Representatives considered this item, it agreed to an appropriation of \$4,750,000 to pay for the personal services of 15 inspectors in

charge of divisions and 800 inspectors. Your committee, having listened to evidence on these matters, came to the conclusion that that appropriation would be too low, and it voted to increase the appropriation to \$4,810,000. That is to say, it added \$60,000 to the appropriation. Now it is proposed to take off five percent, not only of what the Committee on Appropriations recommended, but of the item which the Senate itself approved. So we are asked to turn around and go back. If we take five percent off \$4,810,000, we shall be taking off considerably more than the increase which the Senate has allowed. I happen to know that, unless this item is very different from every other item in the bill, the amounts allowed by the Bureau of the Budget were less than the sums which were requested by the Post Office Department.

One would think, listening to the debate, that nobody charged with responsibility was doing anything to cut the expenses of the Federal Government. That is not true. The record is plain. When the departments and agencies submitted their requests to the Bureau of the Budget, they asked for sums much larger than those which were allowed by the Budget. That evidence was brought out this morning before the Subcommittee on Independent Offices, when the Federal Communications Commission was there. In response to my inquiry as to how much the Commission had requested from the Bureau of the Budget, I learned, and the record now is there, that the Bureau of the Budget cut the estimate for the Federal Communications Commission far below that which the Commission felt was necessary in order to enable it to carry on its operations, to meet the public demand. That is the case all through the Government agencies. The President pared the appropriations in the first instance, and then when bills went before the House committee, the House committee on every single bill cut the appropriation below the Budget; or so I am informed. That certainly was the case with respect to appropriations for the Treasury and Post Office Departments, was it not, I ask the Senator from South Carolina?

Mr. MAYBANK. The Senator is correct. The appropriations for the Treasury Department and for the Post Office Department, as recommended by the subcommittee and by the full committee, are less than the amounts approved by the Bureau of the Budget.

Mr. O'MAHONEY. So, Mr. President, we have the clear record that the Committee on Appropriations and the Senate itself have cut the appropriations below the sums recommended by the Budget Bureau, which had previously recommended appropriations below those which the Government agencies and departments desired to have.

So the record is clear. This is not a case of wasteful spending. It is a case of the careful scrutiny of civilian appropriations, first by the President and the Bureau of the Budget, then by the Committee on Appropriations in the House, and now, by the Appropriations Committee in the Senate. I know from my experience, from my knowledge of

the members of the committee, from my knowledge of the distinguished and able Chairman of the Appropriations Committee, that the greatest care is taken to prevent excessive appropriations. The Senator from Tennessee has established a reputation in this country and in this body over a large number of years, and his reputation is one of holding expenditures down.

It is easy enough to broadcast charges that Federal funds are being wasted. The fact is they are not being wasted. The fact is that the increased expenditures which are being undertaken at this time are due to the fact that the United States finds itself in a position of world leadership, increased expenditures for the Army, the Navy, the Marine Corps, and the United States Air Forces, and increased expenditures to carry on our international peace program. Those are the expenditures which are raising the outlay of the Federal Government beyond the estimated revenues, and not the performance of the civilian departments and agencies of the Government.

The Treasury Department and the Post Office Department are particularly good examples of Government agencies which bring in revenue, which serve the people. The Treasury Department is increasing the revenue which the Government may obtain to balance its budget, by collections of taxes. Leave the 5-percent across-the-board reduction, Mr. President, and we would cut down the ability of the Department of the Treasury and of the Bureau of Internal Revenue to collect the money owing to the Government, with which it can hope to balance the budget. Reduce the appropriations for the Post Office Department 5 percent, and we cut down the service the people of the United States can get from the Post Office Department.

Just a few days ago I had occasion to make inquiry of the Post Office Department with respect to the patronage of the postal system. I discovered from a comparison of the postal receipts in the 12 largest cities of the United States for the first 3 months of this year, with the receipts for the first 3 months of last year, that postal receipts are approximately \$15,000,000 more than they were a year ago. I ask unanimous consent that a table showing the comparison between the first 3 months of 1948 and the first 3 months of 1949 for these 12 cities be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	First 3 months of—	
	1948	1949
New York.....	\$36,343,090	\$41,424,000
Chicago.....	24,166,381	27,224,000
Philadelphia.....	8,364,191	9,382,367
Los Angeles.....	7,456,992	8,533,055
Washington.....	4,181,615	4,752,242
Boston.....	6,844,433	7,666,596
Detroit.....	5,746,292	6,324,345
St. Louis.....	4,869,408	5,677,088
San Francisco.....	4,554,642	5,680,600
Brooklyn.....	4,741,720	5,151,283
Cleveland.....	4,252,110	4,814,883
Kansas City.....	3,751,367	4,591,890
Total.....	115,271,207	131,223,038

Mr. O'MAHONEY. Postal receipts are increasing because the people of the United States are calling upon the Post Office Department for service. Just glance through the appropriation bill. Here are clerks in the inspection service. The appropriation which came from the House for that service was \$1,325,000. The Senate has increased it to \$1,333,000. If we now impose a 5-percent cut upon that item, Mr. President, we are saying, "We repudiate not only our own judgment when we approved the amendment, but we are repudiating also the judgment of the subcommittee which recommended the increase, and the judgment of the full committee which approved it."

Mr. McKELLAR. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Tennessee?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. Is it not also true that in addition to the various items having been worked on for months and approved by the Bureau of the Budget, they then went to the House committee, which heard evidence and considered the items in detail, and when the bill came to the Senate the committee took it up item by item, and heard the testimony of innumerable witnesses. I have forgotten how many there were on this bill, but on one of the appropriation bills I think we heard more than 200 witnesses. The Appropriations Committee has gone over it with the most meticulous care. After that is done, after all the work of the Bureau of the Budget, of the House committee, and of the subcommittee and of the Senate Appropriations Committee, it is proposed to throw it away, and a guess is made that there should be a reduction of 5 percent on all items, irrespective of their merits, irrespective of the needs of the various departments; thereby virtually destroying the Appropriations Committees of both the House and the Senate?

Mr. O'MAHONEY. It is a repudiation of the work of the Appropriations Committee.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from South Carolina?

Mr. O'MAHONEY. I desire to conclude, if the Senator will permit me. I shall then yield the floor to him. There are involved in the bill so many items that we could take all afternoon discussing them; but I do not think that is necessary. I should like, however, to have the Members of the Senate realize what would happen in the Post Office Department. Here is an item of \$15,000,000 for the personal services of assistant postmasters at first- and second-class offices throughout the country—\$15,000,000. It was not increased by the subcommittee; it was not increased by the full committee. It is now before the Senate exactly as passed by the House, but with the suggestion of a 5-percent reduction in the amount. Mr. President, I know, and every other Senator who is in touch with the postal service in his own State knows, that the assistant postmasters through-

out the United States are not adequately compensated for the services which they have been rendering.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I shall be very glad to yield to the Senator from California.

Mr. KNOWLAND. I should like to ask the able Senator from Wyoming if he is familiar with the testimony which was presented to the Armed Services Committee of the Senate not only by former President Hoover, who estimated that approximately from \$1,500,000,000 to \$2,000,000,000 would be saved in the national defense establishment by eliminating duplications and overlappings, but also by former Secretary of the Army, Mr. Royall, who in his testimony before the same committee estimated that upward of \$1,000,000,000 could have been saved each year for the past several years if duplications and overlappings had been eliminated in the national defense establishment.

In view of that testimony, I should like to ask the able Senator from Wyoming if he believes that in the current budget of from \$42,000,000,000 to \$45,000,000,000 which is before the Congress of the United States, it is not possible to make some reductions.

Mr. O'MAHONEY. Mr. President, I have no doubt it is possible to make some reductions, but I say it is impossible to make a sane reduction in the manner which is proposed by the Senator from California.

I am very happy that he made reference to the report of former President Hoover. I invite the attention of the Senator and of the Senate to the fact that President Truman appointed former President Hoover to do that job, and he is backing him up. He has repeatedly called upon the Congress to give him the authority which former President Hoover recommends, to reorganize the executive branch of the Government for the purpose of eliminating overlapping in order to reduce expenditures. So I say to the Senator from California that when he cites the recommendations of former President Hoover, he is citing also the fact that the President of the United States himself is trying to reduce expenditures.

Let me say with respect to the armed services that the President of the United States recommended the unification of the armed services. Those of us who were serving on either the Committee on Naval Affairs or the Committee on Military Affairs, before unification, are well aware that there were expenditures which could have been and should have been reduced, and it was for that purpose that the President recommended unification. Unification was initiated, but it was a tremendous task. I understand that the Armed Services Committee has been very much impressed by the recommendations of the President and of former President Hoover, and it is now considering, if it has not already acted, submitting a bill to the Senate carrying out most, if not all, of the recommendations made by the Hoover Commission.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield to the Senator from Arizona.

Mr. HAYDEN. I have not read all the Hoover Commission's reports. I should like to inquire if any Senator has found in any report a recommendation by the Hoover Commission that there should be a 5-percent cut or a 10-percent cut imposed on any department. I venture to say it cannot be found in any Hoover recommendation.

Mr. O'MAHONEY. There was no such recommendation. The recommendations go to the fundamentals.

The point I am trying to make is simply that a meat-ax slash of appropriations is an unscientific and unwise method to attempt to follow. If the Senate now wants to reverse itself with respect to these items, the thing to do is to send the bill back to the committee with instructions to revise it. That is the orderly procedure. If it should be done in the manner suggested by the amendment, it would produce more waste, by far, than would be produced if the bill were passed item by item.

Mr. President, I hope the amendment will be rejected.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall be glad to yield to the Senator from Illinois.

Mr. LUCAS. I should like to make one observation on the Senator's time.

The bill which was before the Senate last week, known as the Labor Department-Federal Security bill, provided a test of the 5 percent decrease. Being in the hospital at that time, but watching the proceedings here very closely, I discovered—I think I am correct in this statement—that on the floor the Senate increased the heart appropriation, the cancer appropriation, and the venereal disease appropriation approximately \$13,490,000. There were sufficient votes to do it, and there was no question about it.

Mr. O'MAHONEY. As a member of the Appropriations Committee, I, for one, voted against that increase.

Mr. LUCAS. Senators marched right up the hill and did that. The moment the suggestion of a 5 percent reduction came along, some of the same Senators who supported the increased appropriations for the items which I have mentioned, marched down the hill and supported the amendment to reduce the appropriations 5 percent. It was rather paradoxical. As the Senator so ably stated a moment ago, the Senate passed upon the question, and, in the next breath, did just the opposite and made a meat-ax cut.

In my opinion, no scientific reduction can be made by the head of a department with whom has been lodged the authority for making such reductions. As I said a moment ago in the colloquy with the able Senator from California, it seems to me that the delegation of this type of power to a few bureaucrats, if we want to call them that, or a few leaders in various Government agencies, to do what they please with \$150,000,000, is a bad legislative policy to establish, be-

cause I venture to say that as a result many individuals will be prejudiced and will lose their rights. If Congress decides to make a reduction of this kind it should have before it all the facts, and it should have the staff to assemble them. Until we have the kind of staff which the able Senator from Nebraska was discussing earlier in the afternoon, the Senate should not do what is attempted to be done at this time—repudiate the Committee on Appropriations by making an arbitrary cut, when none of us can tell just where the cut will be made. If we are going to make such a cut, we might as well make it 10 or 15 percent, or any other amount.

Mr. O'MAHONEY. Here is another example, I will say to the Senator from Illinois. It is the appropriation for clerks in the first- and second-class post offices throughout the country. There is not a State in the Union that is not affected by this appropriation. Six hundred and twenty-five million dollars was the amount allowed by the House. The Senate committee felt that amount was too low, because the Post Office Department, by evidence, proved to the satisfaction of the committee that increased appropriations were necessary to carry on that work. The Senate committee recommended that the appropriation be \$633,000,000, or an increase of \$18,000,000. A 5-percent decrease of \$633,000,000 will cut off \$31,000,000 from that appropriation for the pay of clerks of first-, second-, and third-class post offices throughout the United States, and it will almost destroy the ability of the post offices to render the service which is necessary under the present increasing demand.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Tennessee.

Mr. McKELLAR. When the Labor-Federal Security bill was before the Senate the amendments offered on the floor, I believe, by the senior Senator from Florida Mr. [PEPPER], or several Senators, not only added \$13,490,000 in cash to the bill, but added \$19,375,000, in round figures, for contract authorizations, making a total of \$32,865,000 added on the floor of the Senate. As the Senator said a while ago, he voted against that, as I did, and it should have been defeated. Without any facts before us, that addition was made, and no attempt was made to interfere with that. But an attempt was made to send the whole bill back, every item in it, every item the committee had studied with such great care, with instructions that a 5-percent cut be made.

Mr. O'MAHONEY. I think the Senator is eminently correct.

Mr. ROBERTSON. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Virginia.

Mr. ROBERTSON. The Senator is aware of the fact that the Coast Guard after the war was returned from the Navy to the Treasury, and Congress passed a law authorizing a certain strength for the Coast Guard.

Mr. O'MAHONEY. That is correct.

Mr. ROBERTSON. Is it not a fact that the House bill did not provide for the authorized strength of the Coast Guard, and that the committee added only enough to bring the Coast Guard up to the strength Congress had previously authorized? Yet that was a substantial addition to what was in the bill as it passed the House.

Mr. O'MAHONEY. Yes. The item appears on page 25. The House appropriated \$74,500,000 to carry out the law, which is 14 United States Code, page 147, and the Senate committee increased the amount to \$77,445,000. A 5-percent cut there will take it below the addition made by the Senate and below the figure of the House.

Mr. ROBERTSON. We provided for 12 or 14 urgently needed new stations, and how could the construction be handled on 95 percent of the appropriation?

Mr. MAYBANK. Mr. President, I merely wish to say to the Senator from Virginia that the 5-percent cut in the Coast Guard would cause a loss in military personnel of 100 commissioned officers, 11 warrant officers, and 1,110 enlisted men.

Mr. ROBERTSON. Is it not true, Mr. President, that our committee was very sympathetic to the request of the Coast Guard to authorize training for Coast Guard Reserve officers, which was not in the bill as it passed the House, but that we did not dare to provide for that in this bill because we knew that this very fight was coming on, and that we cut the appropriation so as to take care of only the most essential items that should be provided for?

Mr. MAYBANK. The Senator is correct.

I wish to make one further short observation. The Treasury Department was cut by the Budget Bureau \$17,000,000 and by the Senate committee \$51,000,000 below the estimates of the Budget Bureau. The Post Office Department was cut by the Bureau of the Budget \$45,000,000 and by the Senate committee, \$11,000,000 below the estimates of the Bureau. So the pending bill is below the budget estimates. This issue has been raised on the floor; the distinguished senior Senator from Tennessee [Mr. McKELLAR] who is present, knows that before the subcommittee considering the Treasury and Post Office Department appropriations no attempt was made, on either side of the aisle, to reduce the expenditures 1 dime. In the full committee, meeting last Friday, I believe it was, or whenever it was, not one Member of the committee moved to cut any of the expenditures.

The distinguished Senator from Michigan came in later in the day and suggested that he was going to make a motion for a 5-percent cut. So I took the trouble to write the Secretary of the Treasury, and I took the matter up with the Postmaster General, and the record speaks for itself on pages 6060 and 6061, where it is shown just what would happen if this 5-percent cut were made, because there are many items, as the Senator well knows, which cannot be cut.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. In a moment I shall yield. It would practically eliminate the additional income-tax collectors, making it difficult to get income-tax money owing to the Government. It would seriously impair the Coast Guard strength. In addition to that, it would seriously impair the execution of the Stock-Piling Act, recommended by the Armed Services Committee, which is now in the control of the Treasury Department.

I do not intend to say anything more, but I shall be glad to yield for a question.

Mr. KNOWLAND. Mr. President, I should like to ask the Senator whether he seriously believes that there is any department head who would come before the Committee on Appropriations and recommend substantial reductions below the budget estimates. Does the Senator know of any department where that is likely to happen?

Mr. MAYBANK. I have served on the Committee on Appropriations for many years, except for the 2 years of the Eightieth Congress, and I suggest that the department heads would not come forward and make such a recommendation any more than would the head of a city government or county government or State government, with which I have had some experience. I would not rely upon a department head to tell me about the appropriations. I make it my business to look into these matters, and we cut estimates regardless of what is asked.

Mr. KNOWLAND. I believe the able Senator is familiar with the fact that in 1934 the total expenditures of the Federal Government amounted to \$6,745,000,000, and in 1941, the year before the opening of World War II, they amounted to some \$9,305,000,000. Does the able Senator from South Carolina think that we can ever cut the budget, which amounts, roughly, to \$42,000,000,000, back into some controllable shape, unless either the Senate or the House of Representatives starts now to make some reductions?

Mr. MAYBANK. I have thorough knowledge of what the budget was in 1934, and what it was before the war. I realize that during the war we created a debt of some \$265,000,000,000. I realize that 34 cents out of every dollar goes to the national defense, 13 cents, interest on the public debt, 13 cents to veterans' programs, and 16 cents to international problems. I know that the only place where we can cut is in the foreign aid, the Army and Navy, and security. I for one believe there might be some cut, but I would never consent to a cut that would endanger our security at this time. I say to the Senator from California that if he will check the records of the cost of government, and all the newspaper stories we see every day about the increase in our government costs, he will find that the old line agencies of government have decreased in expenditures. Yesterday morning there was reported, through the distinguished Senator from Tennessee [Mr. McKELLAR], the agricultural appropriation bill, handled in the subcommittee presided over by the Senator from Geor-

gia [Mr. RUSSELL]. In that bill less is appropriated for agriculture than before the war. Am I correct?

Mr. McKELLAR. The Senator is entirely correct.

Mr. MAYBANK. The old agencies have been cut, of course. We are going to have to balance the budget. I believe in economy. I believe in balancing the budget. I voted for the Taft-Russell amendment to cut foreign aid 10 percent, and I shall vote that way again in the Committee on Appropriations. Certainly some foreign aid, and certainly some other things, can be cut, and there can be some consolidations, as recommended by former President Hoover. But I think it is manifestly unfair to take the Treasury Department or the Post Office Department as the place to attempt to make cuts. Increases have been made in the Post Office Department expenditures since World War II, in salary raises voted for unanimously by all Senators on both sides of the aisle, incorporated in Public Law 900. We are going to give further raises, but where are we going to secure the money to pay for them? We have provided raises in the Post Office Department and in the Treasury Department, we have reclassified the Civil Service, we have voted pensions, and so on and so forth. Certainly we have got to pay those raises and those pensions. There is only one way by which we can finally bring about a cut, and that is to win the cold war, secure the peace, so America may return to its normal way of life; so we will not be obliged to spend great sums of money for stock-piling materials, so we will not be obliged to spend 37 cents out of every dollar on the Army and Navy. As the Senator knows, there is a continuing law which authorizes the Treasury to pay the interest on the Government bonds held by the people of the country. The interest on Government bonds must be paid.

Mr. KNOWLAND. Mr. President, will the Senator yield and then I will not bother him further?

Mr. MAYBANK. I yield.

Mr. KNOWLAND. The Senator mentioned the national security and the importance of the European program to the national security. Does the Senator from South Carolina agree with me that unless we can keep a solvent Federal Government, and unless we can keep a sound national economy we will not be able to preserve our national security or we will not be able to continue our foreign aid program? Therefore is it not incumbent on each one of us to take such action as is necessary to keep a balanced Federal budget?

Mr. MAYBANK. I thoroughly agree with the Senator from California. I go even further than he does. I think the continued soundness of the dollar, the only sound currency in the world today, is a potent weapon in the hands of the people of the United States. If our dollar is kept sound it will mean as much to us as guns and battleships. I do not hesitate to make that statement.

Mr. PEPPER. Mr. President, I have heard it said "O Liberty, what crimes are committed in thy name." It has been

my observation since I have been in the Senate that generally great prodigality and profligacy have been practiced under the name of economy. I think the attempt now being made is another illustration of that, although I do not believe that is what is desired by the sponsor of the amendment.

It has already been pointed out that one of the direct effects of the amendment would be—and it has occurred in the past—to cut down the number of agents collecting public revenues when they were collecting three or four times as much as their salaries and their expenses cost the Government of the United States. That is not economy. That is prodigality. That is profligacy, Mr. President, not wisdom.

It has been pointed out here with respect to the Post Office Department that there would be a deficit of over \$400,000,000 even if all the funds carried in the bill were appropriated and expended. What economy is accomplished by telling the Post Office Department it must spend 5 percent less than we appropriated, without any order to the Department to cut out any services they render? That will mean the Department will simply incur a greater deficit probably than would otherwise exist. That, Mr. President, is not economy and that is not wisdom.

There are some who think we should save public money at the expense of public law. There have always been those who did not see the advantages of flood control and river and harbor improvements and more funds for research, even for the saving of human lives, even when we save more man-days of work and turn out more wealth. That kind of so-called economy is the most extravagant sort of profligacy and waste. I do not stand for that kind of economy either in effect or in design. Of course, I know it is not the design of the able sponsor of the amendment, but I must respectfully submit that the evidence seems to show that that is the inevitable effect of the proposal now before us.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Florida yield to the Senator from South Carolina?

Mr. PEPPER. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Florida, where we are going to cut, and at the same time abide by the law, when 80 percent of the appropriations made for the Post Office Department go to personnel, the salaries of which we have regulated by statute? We have told the Post Office Department how much to pay each employee. Then 15 percent goes for travel. How are we going to cut the travel? That leaves only 5 percent in the appropriation for the Post Office Department for all contractual relationships and other matters connected with the operation of the Post Office Department. I should like to know where it is meant to make the cut in the Post Office Department?

It has been very clearly brought out that the Post Office Department will

operate under a deficit of \$403,000,000. That is the last statement on the subject made by the Post Office Department. The truth of the matter is that if we pass the bill the Post Office Department will come back to Congress for a deficiency appropriation next year, and if we make a cut of 5 percent, as provided by the amendment, it will mean that the Post Office will come back for a greater deficiency appropriation than it otherwise would. Is that not true?

Mr. PEPPER. The Post Office Department will come back again asking for a deficiency appropriation just as it came back this year asking for a deficiency appropriation because of the inadequate appropriations of last year.

Mr. President, I confess that I have grave doubt as to whether the amendment is actually valid. I am not raising a parliamentary question, but I have been advised by the Parliamentarian that this was a novel approach to the problem. Perhaps the able Senator from California has in mind precedents which the Parliamentarian did not immediately recall. But what would be done by the amendment? In the bill we would appropriate the money, and then under the amendment we would tell the Post Office Department that it cannot spend 5 percent of the amount appropriated. If we are going to do such a thing, why not simply cut 5 percent off of what we appropriate? It seems to me that whether the amendment is technically correct or not, in principle it is a legislative invasion of Executive authority. It is the duty of the Executive to see that the laws are properly enforced. If anyone is to give orders to the executive employees it should be the President of the United States, the Chief Executive of the Nation.

Now we appropriate the money to the department, put the money in the hands of the department, and say in all the language of the bill except the very last tail-end of it that "the money is yours," and at the very end it is proposed to insert the very able Senator's amendment, namely:

Provided further, That not to exceed 95 percent of the fund provided by any appropriation made by this act for the fiscal year ending June 30, 1950, shall be expended or obligated by the department, agency, or corporation to which such appropriation is made.

So in all the language of the bill we appropriate the money to the department, until we come down to the end of the last paragraph on the last page, just before we quit, where we say what the bill may be called, and then we say "but you cannot spend 5 percent; you cannot obligate yourself to spend 5 percent of it." That seems to me to be a peculiar way to legislate or appropriate.

If the amendment is adopted today, I presume it would be a precedent for the future.

It seems to me that the only way to legislate wisely is to legislate intelligently, knowing what we are doing. If Congress wants to cut out something, well and good. But as the able majority leader has said, in this bill we give the heads of executive agencies, "bureaucrats" in the words of many, an arbitrary author-

ity to cut out \$150,000,000 appropriated by the Congress of the United States without saying to them where they shall cut it. If we are going to do such a thing, why not appropriate the whole sum to them and say, "Use this money as wisely as you can. Save as much as you can. Save at least 5 percent. Or save 10 percent." In other words, Congress is abdicating its authority and its duty to legislate by telling the executive heads to save \$150,000,000 without laying down any standards or principles as to where it shall be saved.

Mr. President, do we want to cut out, for example, the movement of the mails in flood times? Suppose the Post Office Department were to say, "Very well, we will cut out all money which we would otherwise spend to move the mails in flood times." Does Congress intend that to be done? I think we would be responsible for it if the department were to do so under a *carte blanche* authority.

I must say I am reminded of the advice given the young lawyer by the old. As will be remembered, Mr. President, the young lawyer asked the old one what to do if he were weak on the facts. "Oh," he said, "son, bear down on the law." The young lawyer said, "Suppose you are weak on the law?" The older lawyer said, "Bear down on the facts." The younger lawyer asked, "Suppose you are weak on both the law and the facts?" The older lawyer replied, "Just flimflam like hell."

The Bureau of the Budget has not been able to find a way to make the reduction which is proposed. Congress has not been able to find a way to do it. Now, with a scatter-gun load in the dark, it is proposed to flimflam, as it were, through the executive heads, cutting here, there, and everywhere that they may arbitrarily determine to cut. It seems to me that it is not wise for Congress to follow such procedure.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. It is proposed that it be done without any evidence, without any real information, but merely upon the basis of a guess that it might be well to cut 5 percent, in utter disregard of the facts which have been produced before the committee. Excluding myself, I will say that the Committee on Appropriations is one of the best committees I have ever known.

Mr. PEPPER. If the Senator will allow me to disagree with him, the error of his assumption lies in the exclusion of himself. Like Abou Ben Adhem, he should head the list.

Mr. McKELLAR. It is proposed that the reduction be made without knowing the facts, and without knowing what these four officers of the Government might do. If that is intelligent legislation, I am a very unintelligent man.

Mr. PEPPER. It is legislating in the manner in which certain doctors treat their patients. In every case they give the patient a pill if he feels that he ought to have some medicine.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. The Senator will agree with me, I believe, that the Post Office Department is what might be called a wholly public-service agency. It serves the public in the dissemination of mail and in the delivery of parcel post. Its acts are governed by various laws of Congress regulating the rate of postage on mail, as well as the subsidies to airlines, which the Post Office Department pays, and over which it has no control. Does not the Senator believe that Congress would be more fair with the people and with the Post Office Department if, instead of trying to make a blanket cut, it should honestly say, "Some branch of this service does not pay its way. We are going to be honest with the public and increase the rates for its services in order that it may pay its way." Does not the Senator agree that that would be the honest way to do it, rather than to say, "We are going to cut your service 5 percent"?

Mr. PEPPER. Undoubtedly that is the fair and proper way to legislate.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. JOHNSTON of South Carolina. Following up the statement which the Senator from Florida made a few moments ago, when he said that it was easy merely to prescribe a pill, it is true that in the departments it would be much easier not to take on more employees than it would be to cut them off. That being so, I should like to ask the Senator, after I finish reading a portion of the report, to tell me what he believes might happen in the Treasury Department to this particular item:

BUREAU OF INTERNAL REVENUE

For the fiscal year 1950 the committee recommends an appropriation of \$232,768,000, the budget estimate. This amount exceeds the House allowance by \$12,268,000. The committee is of the opinion that the 7,019 additional field positions requested be allowed by the committee, 5,787 of which are enforcement officer positions, to enable the Bureau to more effectively ferret out tax evaders which, in turn, will lead to the collection of millions of dollars additional revenue. Testimony indicates that present front-line enforcement officers averaged per person additional revenue of \$52,708 for 1946, \$73,805 for 1947, \$89,271 for 1948, and for the first 7 months of fiscal year 1949 \$50,066. It is estimated that by the fiscal year 1951 the additional enforcement personnel provided will collect at least \$425,000,000 additional revenue annually.

What would happen to this particular appropriation if the proposed cut were put into effect?

Mr. PEPPER. The able Senator effectively illustrates what I tried first to say, that we are committing prodigality under the guise of economy. Thus far this year those workers have collected in public revenue about \$50,000 apiece. I suppose the salary and expenses of those workers will not total much more than \$5,000 each. They collected almost \$10 for every dollar spent by the Government. That is what I call economy—spending \$1 to get \$10—especially when it is collected from those who are evading the payment of taxes or defrauding the Government. That is the kind of economy

I want to support, because I think it is productive and not wasteful.

Mr. KILGORE. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. KILGORE. In the light of the figures stated, knowing, as was brought out before the committee, that we have only enough field personnel to check about 2 percent of the income-tax returns, even so far as the correction of additions is concerned, are we not putting a premium on tax evasion?

Mr. PEPPER. Certainly.

Mr. KILGORE. Are we not imposing a penalty on the honest taxpayer?

Mr. PEPPER. Certainly.

Mr. KILGORE. If we could collect all the taxes due the Government, we could unquestionably increase the total amount of income-tax revenue.

Mr. PEPPER. When it becomes public knowledge that only one out of every several thousand income-tax returns can possibly be checked, of course the people are going to take a chance. That is a better chance than betting on the horses, or at the roulette table, or shooting dice. One has a better chance to win in that sort of a gamble than in any of the gambling games on which the people spend billions of dollars. Why not gamble with the Government, since they know that the so-called economy-minded Members of the Congress are probably going to protect them against having to pay their taxes?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. In connection with the question of Federal revenue collection, does not the Senator know that what the agents do, in effect, is to make spot checks in any event? This question was before the Senate Appropriations Committee a year ago, when I was a member of that committee. I joined with the committee in providing additional funds; but at the time the testimony was being taken the Treasury representatives freely admitted that they were probably getting the top-bracket evaders. If we were to double the number of agents, we would not ipso facto double the amount of income of the Federal Government. To make the same argument that is being made by the Senator from Florida, we might as well add four times as many agents, on the theory that we would get four times as much revenue. However, as a practical matter that is not possible. We encounter the law of diminishing return.

Mr. PEPPER. Yes; but we have not nearly reached that point, yet.

Let me say one word in conclusion. I do not wish to delay the Senate longer. There is a trend among our brethren on the other side of the aisle generally—and this example is obviously a part of that trend—toward reducing public expenditures. I wish to hold up one honest finger of warning. The greatest danger facing the country today is a precipitous deflation which would hurt our revenue and our prosperity more than almost anything else we could do. We talk about public confidence, and the delicacy of business confidence. The best way to

frighten business is for the Government to take the lead down the dangerous trail of deflation. Let the banks start tightening credit because they are beginning to be afraid. Let every factory, every retailer, every wholesaler, and every jobber start reducing inventories, and what will happen? The effect reaches back to the farm and the factory. It means laying off workers. It means a slowing down of the circulation of our money. It means a decline in employment, in national income, and in the value of the national production. I am far more afraid of that than I am of the detriment which would come to our country as a result of a failure to make such 5-percent cuts. They are symptomatic, Mr. President, of a condition that is really dangerous to the economy and public revenue of our country.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. I should like to ask my able friend, the Senator from Florida, whether under the circumstances with which the Government of the United States and the Congress are faced, he favors the \$4,000,000,000 of new taxes recommended by the President, or whether he favors having the Government embark upon a deficit-spending program; or, if he does not favor either of them, how would he solve this problem which is facing the Government of the United States?

Mr. PEPPER. I would do exactly what the President of the United States has recommended. I know of nothing before the Congress which would be so much in the public interest as for us to adopt every whit and iota of the program recommended by the President, including all that it would cost. Then if we did not have sufficient revenue for that purpose, we should raise it by taxes levied on a very prosperous national economy, an economy which transcends in its reach every prosperity peak we have ever known before in peacetime.

Mr. President, the most important demand upon the Congress today is to retain the employment of the 60,000,000 persons who are working in our country, to retain the high value of our national products, and to retain the present high level of the national economy.

Again I go back to the basic economic principle that if we keep our high national income where it is, and retain the high productivity of the factories and farms of the United States, we shall be able to pay the \$4,000,000,000 of additional taxes a great deal easier than we would be able to pay the taxes now levied, which no one proposes to repeal, from a shrunken national income which we shall inevitably have if we permit the inflationary trend to develop still further.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. I ask the Senator whether he believes the Congress should adopt the President's program and should levy the taxes recommended by the President.

Mr. PEPPER. Yes.

Mr. KNOWLAND. In other words, under the theory of the Senator from Florida, the Congress should sign a blank check—

Mr. PEPPER. Oh, no—

Mr. KNOWLAND. And should abdicate its functions—

Mr. PEPPER. Oh, no.

Mr. KNOWLAND. And should say to the President of the United States, "Regardless of what you recommend, regardless of how much of a tax burden you wish to place on the American people, regardless of how much you wish to add to the public debt or to the costs of the Government, we shall give you a blank check, and you can fill it out in whatever amount you think is needed."

Mr. PEPPER. Oh, no; Mr. President. I must insist that my able friend, the Senator from California, has not correctly interpreted what I said.

I said that I think the Congress should adopt the recommendations which have been made by the President. That is what I said. I think the President's recommendations are good. I did not say that we should give the President an arbitrary mandate or authority to exercise capricious power to impose his program upon the Nation. I simply say that, under the Constitution, the President has made recommendations to the Congress; and I believe they are good recommendations, and I believe that the public interest will best be served if the Congress will adopt those recommendations as an affirmative program, including those for the raising of additional revenue, to the extent that that is required in order to carry out the program recommended by the President.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. PEPPER. I yield.

Mr. McKELLAR. The Senator from California asked whether Senators would favor having the Congress abdicate its powers and turn them over to the President. Is it not true that under the amendment of the Senator from California, which now is before the Senate, the Congress would abdicate its powers to the extent stated in the amendment, and would turn them over to four officers of the Government who are not even named?

Mr. PEPPER. The Senator from Tennessee is entirely correct.

Yet I wonder how the able sponsor of the amendment would feel if we turned it around, and had it provide that the departments concerned would be given appropriations to the extent of 90 percent of the amounts now carried in the bill, and also would be given an additional \$150,000,000, to be distributed in whatever way they might like to have it distributed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KNOWLAND. Does not the Senator from Florida agree that the situation as outlined by the able chairman of the committee, the Senator from Tennessee [Mr. McKELLAR], is not in fact an abdication of congressional power, but, to the contrary, constitutes an action of

the Congress in setting the outside limitations as to the funds which may be expended? As a matter of fact, in every appropriation we make, do we not do precisely that, because we do not get down to the last detailed figure as to the expenditures which will be made; but they are made within certain bracket limitations, in any event.

As the able Senator from Oregon [Mr. CORDON] pointed out earlier today, under existing law, the President of the United States alone can suspend the expenditure of any funds under the appropriations which are made by the Congress.

Mr. PEPPER. Yes. But I dare say if the President of the United States were to issue such an order, he would first have been advised by the Bureau of the Budget; he would not simply issue a blanket directive of that sort. I imagine he would first have gone into a thorough examination of whatever he proposed to eliminate.

Mr. President, before I yield the floor, let me say that although the Senators who are members of the Appropriations Committee are more familiar with the appropriation practices than I am, yet, as the Senators who are members of the committee—including the distinguished chairman of the committee, the Senator from Tennessee—already have pointed out, I am sure the appropriation requests go from the department or agency personnel to the heads of the respective departments or agencies, and then go to the Bureau of the Budget; and then, after the Bureau of the Budget submits its recommendations to the President, and after the President submits them to the Congress, the appropriate spokesmen of the departments or agencies come to the congressional Appropriations Committees, where scrutiny may be had as to any details, or where at least inquiry may be made by the members of the committees. Of course, no such thoroughness is provided by this amendment.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. Two questions interest me. One is whether the President sets limits on the budgetary requests which may be made by the various departments, in advance of the preparation and presentation of the appropriation bills.

Mr. PEPPER. Does the Senator mean to inquire whether the Chief Executive does that?

Mr. BREWSTER. Yes.

Mr. PEPPER. I have no doubt that he does. Of course, the Bureau of the Budget determines whether it will approve the requests which are presented to it by the departments and agencies.

Mr. BREWSTER. I think that point has been discussed with reference to the armed services. I think there is no question that that practice prevails. In that case, an arbitrary limit of \$15,000,000,000 was imposed, and the armed forces had to bring their requests within that limitation. Such an approach might be called a meat-axe approach. In other words, an over-all limit is imposed, and

the various departments concerned must keep their requests within that limit.

Mr. PEPPER. But of course that is done by the executive branch of the Government.

Mr. BREWSTER. That is correct. However, that development does not initiate at the grass roots. In that case, we do not begin at the grass roots, and inquire as to what is needed. To the contrary, the departments are told that they must limit their requests to certain total amounts; and so the departments and bureaus must cut their cloth accordingly.

That is what I consider to be an approach other than a purely scientific or technical one. It is related to the overall budget, which must have some kind of a top limit.

Mr. PEPPER. But I am sure the able Senator from Maine would not impute to the President a willingness to lay down such a directive or ceiling without previous careful scrutiny of the subject, which even would include a detailed examination of it.

Mr. BREWSTER. I find it very difficult to believe that the Senator is serious in such a suggestion, as even the talents of the President of the United States—and we would all agree he is a very capable man—would not be equal to any such detailed examination.

Mr. PEPPER. Yes; but the able Senator will recall the title of a book written by a distinguished member of the press, the President Is Many Men.

Mr. BREWSTER. Right. Now, somebody—and I take it it is the Bureau of the Budget; that is where it should be—makes up the over-all allocations for the various departments. Before I come to the second question I have, let me say that, as I understood, the defense appropriation started at \$28,000,000,000, it got down to \$22,000,000,000, then \$17,000,000,000, and the President finally said, "It cannot be over \$15,000,000,000."

Coming to the other question, I wonder whether the Senator is familiar with the method which was employed in the early days of the budget, under President Coolidge, by which we restored financial solvency in the country following World War I.

Mr. PEPPER. If the Senator will allow me to interrupt, it did not last long. It did not last long after President Coolidge restored it, in that time. I mean it was on the way to an unhappy conclusion.

Mr. BREWSTER. The Senator from Florida would not call attention to what happened to the Budget after his party took over. But at any rate, during the period following World War I, President Coolidge was then operating the Budget—and I have never heard anybody question his thrift—with General Lord, who was then Director of the Budget, following General Dawes. There was then imposed an arbitrary limit, following the appropriation, in the form of a notification to each department that a 10 percent cut would be required. That was set aside at the start of the fiscal year, and the remainder divided in four equal parts. In any quarter, a department could spend but one-quarter of 90 percent. If a department went over that

in any period it had to come before the Budget to justify it.

President Truman made an arbitrary cut of some \$2,000,000,000 2 years ago in our defense appropriation following the closing of the Congress and by that means saved a great deal of money.

Mr. PEPPER. Mr. President, will the Senator allow me to interrupt?

Mr. BREWSTER. Yes.

Mr. PEPPER. I do not see anything basically wrong about that. If the amendment were to provide that only 95 percent of this money shall be spent, unless the President or the Bureau of the Budget can be satisfied that the whole amount is needed, that would not be so bad; but that is not the approach here.

Mr. BREWSTER. What I was about to say was this: I assume President Coolidge, whose reputation for thrift and economy was certainly equal to that of President Truman, both of whom were reared in very modest homes and understood the value of a dollar, followed, in conjunction with General Lord, Director of the Budget Bureau, all the techniques of which the Senator speaks, of setting an over-all limit; and yet it was found then that the only way we could ever curb the burgeoning bureaucracy with which we are now threatened with being inundated, if I mix my metaphors, was by the automatic 10-percent cut, knowing that the bureaus and the departments were the only ones that could effectively and efficiently carry that out, and that they would never do it unless they were compelled.

I gather from what the Senator has said that if the President or the Director of the Budget should impose a cut, he would think it was all right. I suggest the Congress is equally responsible for the appropriations, and I think it should be equally permitted to use this weapon of imposing a restriction such as the Senator from California has, in my judgment, so prudently suggested.

Mr. PEPPER. But, Mr. President, the Senator, able student that he is and careful logician, knows that the Senator from California is not providing that the 5-percent cut may not stand, provided the departments come back later and show the Congress that the 5 percent is needed. It is laid down as a flat prohibition beyond which the departments cannot obligate themselves.

Mr. BREWSTER. The interesting point is that, in the first place, President Coolidge used a 10-percent cut, and it was by that means that the surpluses were built up, which reduced the public debt by some 30 percent during those immediate years. I should have preferred a 10-percent cut here, or, as the Senator from Georgia [Mr. GEORGE] suggested, 15 percent; but the 5 percent is in my judgment a very modest and a very well justified start in the direction of the path that we ultimately must follow.

Mr. PEPPER. Mr. President, if a cut is to be made in the dark, I do not see why a cut of 25 percent is not made. That would result in a greater saving of course than a cut of 5 percent.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holland	Murray
Anderson	Humphrey	Myers
Baldwin	Hunt	Neely
Brewster	Ives	O'Connor
Bricker	Jenner	O'Mahoney
Bridges	Johnson, Colo.	Pepper
Butler	Johnson, Tex.	Reed
Byrd	Johnston, S. C.	Robertson
Cain	Kefauver	Russell
Chapman	Kem	Saltonstall
Connally	Kilgore	Smith, Maine
Cordon	Knowland	Sparkman
Donnell	Langer	Stennis
Downey	Long	Taft
Eaton	Lucas	Taylor
Ellender	McCarran	Thomas, Utah
Ferguson	McClellan	Tobey
Flanders	McFarland	Tydings
Fulbright	McGrath	Vandenberg
George	McKellar	Watkins
Gillette	McMahon	Wherry
Green	Magnuson	Wiley
Gurney	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Maybank	Young
Hickenlooper	Millikin	
Hoey	Mundt	

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations was conducting hearings on the North Atlantic Pact.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. MAYBANK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, I desire to perfect my amendment by inserting in the third line, where it reads "not to exceed ninety-five per centum of the funds," the words "aggregate of the"; to strike out, at the end of that line, the word "any" and to add after the word "appropriation" in the next line and the word "appropriation" in the last line an "s" to make it plural rather than singular.

It is a very short amendment, and, with the permission of the Senate, I should like to read it as perfected.

The PRESIDING OFFICER. The Senator is advised that after the yeas and nays have been ordered, the amendment can be modified only by unanimous consent.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to perfect amendment.

Mr. MAYBANK. Mr. President, reserving the right to object, I should like to ask the Senator if he knows, as acting minority leader, of any further amendments?

Mr. KNOWLAND. So far as I know, there are no other amendments to be offered.

Mr. MAYBANK. Does the Senator believe we can get a vote on the bill very soon?

Mr. KNOWLAND. I am very hopeful of it.

Mr. MAYBANK. I have no objection.

The PRESIDING OFFICER. Is there objection to the Senator from California modifying his amendment? The Chair hears none.

Mr. KNOWLAND. My amendment, as modified, is as follows:

On page 49, line 19, strike out the period and insert in lieu thereof a colon and the following: *Provided further*, That not to exceed 95 percent of the aggregate of the funds provided by appropriations made by this act for the fiscal year ending June 30, 1950 shall be expended or obligated by the department, agency, or corporation to which such appropriations are made."

Mr. MAYBANK. Mr. President, in not objecting to the Senator perfecting his amendment, I do not want it to be understood that I am not opposed to the original amendment.

Mr. KNOWLAND. I think the junior Senator from California thoroughly understands that the Senator from South Carolina was not accepting my amendment.

Mr. MAYBANK. There may be other Senators who might not think so. I hope the amendment, as modified, will be defeated.

Mr. KNOWLAND. Mr. President, for the benefit of Senators who have just entered the Chamber, I will say that certain questions were raised by the able Senator from Michigan [Mr. VANDENBERG] when he asked me as to my interpretation of the amendment which I have offered. By the perfection of the amendment, by adding the word "aggregate," it is meant to cover the point to which the able Senator from Michigan referred, so that, at least so far as the author of the amendment is concerned, it is his belief that the new language will make it clear that department heads can work within the aggregate funds, provided they do not expend more than 95 percent of the total appropriation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. In order to make it crystal clear, under title I the 5-percent reduction would come from the total of the Treasury Department of \$1,045,184,403.93. Is that correct?

Mr. KNOWLAND. The Senator is correct. The same thing would apply to title II and also with regard to the other two agencies.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. The Senator's amendment provides for an aggregate cut of 5 percent of the total amount; is that correct?

Mr. KNOWLAND. That is correct.

Mr. AIKEN. That means 5 percent of the funds allowed for internal-revenue payments?

Mr. KNOWLAND. No; 5 percent of the total amount allowed to the department. It would not apply as a mandatory matter to the individual payments, but to the aggregate total allowed to the department, agency, or corporation.

Mr. AIKEN. What is the total amount that would be affected?

Mr. KNOWLAND. I think the Senator from Michigan gave the figure a moment ago as \$1,045,184,403.93.

Mr. FERGUSON. That figure appears at the bottom of page 9 of the bill.

Mr. AIKEN. It does not refer to any repayment or any trust-fund payment or anything of that nature at all, does it?

Mr. KNOWLAND. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from California, as modified, on which the yeas and nays have been ordered.

Mr. CORDON. Mr. President, I shall not delay the vote long. I had occasion to discuss this matter in a brief colloquy with the author of the amendment, and said at that time that I desired to explain the position I find most reluctantly I must take with reference to his amendment.

First, let me say that I am in sympathy with what the amendment seeks to do. I believe the approach, generally, is sound. I believe that if we are ever to bring about reasonable reduction in departmental appropriations, aggregating in each instance as they do, hundreds of millions, and in some instances billions of dollars, we cannot do it other than by a percentage reduction method, and at the same time get the fullest possible value out of the money that is appropriated.

It is humanly impossible, Mr. President, for the Members of the Committee on Appropriations, though they work every day and every night all through the year, to gather the information with reference to specific activities and a reasonable cost of performing them, which is essential in order to make an accurate computation of the amount to be appropriated for each such activity. It simply cannot be done.

The Appropriations Committees of necessity must turn for their information to the departments which are the spending agencies. Those departments are composed of human beings. If they are faithful servants, seeking in good faith to do the thing they are called upon to do, they of necessity become prejudiced in their views in favor of the thing they do, and they seek to do it as well not only as they can do it, but as well as they feel it can be done.

They have had practical experience in attempting to get the funds necessary to do what they have to do. They find they must go first to the President's Bureau of the Budget, an independent agency, so far as they are concerned. Experience has taught them that that Bureau is very apt to cut the amount of their estimate. It is but human nature for them not to cut the estimate before they submit it to the Bureau. They increase it, as you or I would. That is the way it works.

When the estimates finally leave the Bureau of the Budget and come to the Committees on Appropriations, they will again have a careful scrutiny, and the officials of the Bureau know that. They are practical men. Then the Bureau itself, although it is staffed by a great

number of specialists who are endeavoring to do a good job, is incapable of covering the whole field. The result is that no one who handles the estimates, save those in the departments themselves, is able to allocate a reduction in amounts in such a way as to do the greatest good, and at the same time not interfere with essential functions. So I say that I believe the percentage reduction approach is sound.

In this instance, Mr. President, I must depart from what I would prefer to do. I would prefer to go along with this kind of an amendment. But I have served on the Subcommittee on Treasury and Post Office Appropriations 3 years and a fraction. For 2 years I served as chairman of the subcommittee itself. During that time our committee, working with such staff as we were able to gather together, some of them very expert men, were able to find places where savings could be effected and were able to realize from the findings brought to us that there were other places where savings could be effected, if there was a will to do it.

Through the work of the Committee on Appropriations studies were initiated by independent agencies to increase efficiency in the Treasury Department, particularly in the Bureau of Customs, and so on. The reports which were made are now being activated, if I may use that term, or put into effect, by the Department itself. It is yet too early to know the extent to which they will be effective. I still am naive enough to believe that there will be some really beneficial results from that work.

In the Treasury Department there are numerous funds over which neither that department nor the Congress, save by substantive law, can have any control whatever. That is true also in the Post Office Department as to certain funds. The post office bill carries, and I believe has always carried, a special provision granting general authority to incur a deficit, if that be necessary in order that the mails be carried.

Because the two departments are service departments, because there has been a constant, sustained, and continuing effort on the part of the subcommittee of the Committee on Appropriations, and I believe in good faith by both departments, to increase the efficiency and lower the over-all costs of the two departments, I am constrained, much as I regret it, to cast my vote against the amendment, as it applies to these two major service departments of the Government.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from California [Mr. KNOWLAND], on behalf of himself, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Michigan [Mr. FERGUSON], and the Senator from Nebraska [Mr. WHERRY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McMAHON (when his name was called). On this vote I have a pair with the junior Senator from North Carolina [Mr. GRAHAM]. If he were present, he

would vote "nay." If at liberty to vote I would vote "yea." I, therefore, withhold my vote.

Mr. MYERS. I announce that the Senator from Illinois [Mr. DOUGLAS] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Alabama [Mr. HILL] are absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senators from Oklahoma [Mr. KERR] and Mr. THOMAS] are absent by leave of the Senate on official business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Kansas would vote "yea."

The Senator from Illinois [Mr. DOUGLAS] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Delaware [Mr. FREAR] is paired on this vote with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Idaho would vote "nay."

The Senator from Alabama [Mr. HILL] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Oklahoma [Mr. KERR] is paired on this vote with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Minnesota would vote "yea."

The Senator from Connecticut [Mr. MCMAHON] is paired on this vote with the Senator from North Carolina [Mr. GRAHAM]. If present and voting, the Senator from Connecticut would vote "yea" and the Senator from North Carolina would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from New Jersey would vote "yea."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from New York would vote "nay," and the Senator from Indiana would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Massachusetts [Mr. LODGE] is necessarily absent and is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Massachusetts [Mr. LODGE] would vote "yea," and the Senator from Alabama [Mr. HILL] would vote "nay."

The Senator from Kansas [Mr.

SCHOEPPEL] is absent by leave of the Senate and is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea," and the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness and is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea," and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate and is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Minnesota [Mr. THYE] would vote "yea," and the Senator from Oklahoma [Mr. KERR] would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is detained on official business and is paired with the Senator from New York [Mr. WAGNER]. If present and voting the Senator from Indiana [Mr. CAPEHART] would vote "yea," and the Senator from New York [Mr. WAGNER] would vote "nay."

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official business and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea," and the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

The Senator from Oregon [Mr. MORSE] is detained on official business and is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay," and the Senator from Illinois [Mr. DOUGLAS] would vote "yea."

The result was announced—yeas 33, nays 45, as follows:

YEAS—33

Baldwin	Gurney	Mundt
Brewster	Hendrickson	Reed
Bricker	Hickenlooper	Saltonstall
Bridges	Ives	Smith, Maine
Butler	Jenner	Taft
Byrd	Johnson, Colo.	Tobey
Cain	Kem	Vandenberg
Eaton	Knowland	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	Wiley
George	Millikin	Williams

NAYS—45

Aiken	Hunt	Murray
Anderson	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	Neely
Connally	Kefauver	O'Connor
Cordon	Kilgore	O'Mahoney
Donnell	Langer	Pepper
Downey	Long	Robertson
Ellender	Lucas	Russell
Fulbright	McCarran	Sparkman
Gillette	McClellan	Stennis
Green	McFarland	Taylor
Hayden	McGrath	Thomas, Utah
Hoey	McKellar	Tydings
Holland	Magnuson	Withers
Humphrey	Maybank	Young

NOT VOTING—18

Capehart	Hill	Morse
Chavez	Kerr	Schoeppel
Douglas	Lodge	Smith, N. J.
Eastland	McCarthy	Thomas, Okla.
Frear	McMahon	Thye
Graham	Miller	Wagner

So Mr. KNOWLAND's amendment offered on behalf of himself, Mr. BRIDGES, Mr. FERGUSON, and Mr. WHERRY, was rejected.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Just as the Chair announced the result of the vote two or three Senators came onto the floor of the Senate and addressed the Chair. Of course, I realize that the announcement had already been made. But is it the opinion of the Chair that the votes of those Senators should be registered?

The VICE PRESIDENT. The Chair cannot entertain the vote of a Senator who comes into the Chamber after the result has been announced, or who requests his name to be counted after the announcement has been made as to the result of the vote. That is especially prohibited by the rules.

Mr. BRIDGES. Mr. President, I now move that the bill be recommitted to the Committee on Appropriations with instructions to report it back to the Senate with amendments providing for a reduction in the bill, as reported to the Senate, including committee amendments, of a 5 percent reduction of the total amounts, either by specific amendments or by limitations on total amounts to be expended.

Mr. MAYBANK. On that motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PEPPER. Mr. President, will the Senator from New Hampshire yield to me for a question?

The VICE PRESIDENT. The Senator from Florida is recognized. The Senator from New Hampshire no longer claims the floor.

Mr. PEPPER. In my own right then, Mr. President, I will say that I should like to know just what is the meaning of the motion. A motion was made the other day by the Senator from Ohio [Mr. TAFT] which may or may not be similar to the pending motion, which I understand would operate in a way that nobody intended it should at the time the motion was made. In other words, when the Senate passed the Labor-Federal Security bill, and the Ferguson-Bridges amendments failed to prevail, then the Senator from Ohio made a motion to recommit the bill to the Appropriations Committee with what I understood to be instructions to reduce by 5 percent the bill as it passed the Senate.

Later I was informed that the Parliamentarian had held that the parliamentary effect of the motion of the Senator from Ohio was to strip the bill of every amendment added in the Senate, to strip the bill of every amendment added by the committee, in committee, and then cut 5 percent from the House bill. I heard Senator after Senator who voted for the motion say that he never intended any such result. So I think we ought to understand exactly what the legal effect of this motion is. No doubt it will have some bearing upon what was really intended by the Senator from Ohio when

he made the motion the other day. That is the reason I thought it proper at this time for the Senate to know upon what it is voting.

Mr. BRIDGES. In answer to the Senator from Florida, if the Senator will listen carefully to the motion which I have made, it will clarify the situation. I will say to the Senator that in supporting the motion to which the Senator refers, I assumed in voting for it that it was to cut 5 percent from the bill as it stood in the Senate, with the Senate amendments.

Mr. PEPPER. Then the Senator had no intention of stripping the bill which was subjected to the motion of the Senator from Ohio of all the Senate amendments, and all the amendments added by the Senate Appropriations Committee.

Mr. BRIDGES. The Senator from New Hampshire does not intend to strip anyone. [Laughter.] What the Senator from New Hampshire intends to do by this motion is to cover the very point raised by the Senator from Florida. Let me read the motion again:

I move that the bill be recommitted to the Committee on Appropriations with instructions to report it back to the Senate with amendments providing for a reduction in the bill, as reported to the Senate, including committee amendments—

Mr. PEPPER. Will the Senator stop at that point? The language "as reported to the Senate, including committee amendments" would strike out everything the Senate has added.

Mr. BRIDGES. In this particular instance I do not think the Senate has added anything. With respect to the previous bill, the language would have to be "as it now stands." But with respect to this particular bill, the Senate has not added anything. I am protecting the committee amendments.

Mr. TAFT rose.

Mr. PEPPER. I see the Senator from Ohio on his feet. I merely wish to make clear the significance of the motion. I am indebted to the Senator from New Hampshire for making clear exactly what he intends to do.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. I suggest to the Senator from New Hampshire that nothing was added by the Senate except the committee amendments which were adopted by the Appropriations Committee.

Mr. PEPPER. But the actual effect is the same, because the Senate adopted the amendments reported by the Senate committee.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BRIDGES. I may say further that if the bill were in the same condition as the Federal Security and Labor bill, this motion would have to be altered. As it is, it now protects the committee amendments, as differentiated from the previous motion. But if this were the Federal Security and Labor bill, and we were attempting to do the same thing, this language would have to be amended to read "as the bill now stands."

Mr. PEPPER. As I understand the Senator, he would amend his motion so as to strike out what the Senate did to the bill as it came from the committee.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. With reference to the statement made by the Senator from Florida, the motion which I made on April 28 was a motion to recommit with instructions to report the bill back to the Senate with amendments providing for a reduction equivalent to that provided in the amendment offered by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON], which amendment was ruled out of order. It seems to me very clear that if the majority of the Senate wishes to make a reduction, we ought to find a way by which the desire of the majority can be carried into effect. My purpose was to instruct the committee to bring the bill back with exactly the same result that would have occurred if the Bridges-Ferguson amendment had been attached to the bill. Therefore, I had no intention whatever to change either the committee amendments or the amendments offered by the Senator from Florida relating to cancer and heart disease. My purpose was to try to find a way to carry out the effect of the 5-percent amendment which had been offered, for which there was a majority vote, but which had been ruled out of order.

Of course, the parliamentary effect may have been to nullify those amendments. However, the committee also had the power to bring the bill back with those amendments in it again. Therefore the intention of that motion was simply to make a cut in the bill as it had been completed up to that moment by Senate action. That was the intention of the Senator from Ohio. I think the intention is clear if the entire statement is read. Whatever the parliamentary rules might or might not be, I do not think they affect the intention of the Senator from Ohio or change the effect of the adoption of that motion by the Senate.

Mr. PEPPER. In other words, the Senator from Ohio was trying to effectuate a saving equal to 5 percent of the amount of the bill which the Senate passed.

Mr. TAFT. Exactly; and, just as the Bridges-Ferguson amendment would not in any way have changed the Senator's amendments with respect to heart disease and cancer, so it certainly was not the intention of my motion to make any such change.

The VICE PRESIDENT. The Chair will advise Senators that when a bill is recommitted to the committee from which it emanates, such action nullifies all amendments that have been agreed to on the floor of the Senate, and the bill goes back to the committee—if it happens to be a House bill—in the same shape in which it came to the Senate from the House, regardless of the intention of any Senator.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Is it not true that the committee, complying with the intention of the Senate, as indicated by the motion, can report the bill back adopting or recommending as committee amendments, amendments which it formerly recommended, and also amendments which the Senate itself had specifically approved?

The VICE PRESIDENT. The committee might do that; but the committee would have to act upon the amendments in committee as if no action had previously been taken.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PEPPER. Is it not within the power of the Senate to control the action of its committees by its own directive? Let me predicate a case, if the Chair will allow me an observation in support of the inquiry. Suppose the Senate had, by motion appropriately made and carried, directed its Committee on Appropriations to eliminate a certain item on page 6. Suppose the bill had been recommitted to the Committee on Appropriations with instructions to eliminate that item. Would not the legal parliamentary effect be not to strip the bill of every amendment, other than on page 6, which had been added? Would not that be an instruction by the Senate to its subordinate body, the committee, to do what the Senate willed be done?

In this case the context of the record is clear. What the Senator from Michigan and the Senator from New Hampshire were seeking to achieve was a 5-percent over-all cut. They intended that cut to apply not only to what the Senate did, but to the bill as finally passed by the Congress. They intended that there should be a reduction of 5 percent. They did not intend the 5-percent cut to apply merely to one item in the bill.

Again today the Senator from Ohio has clearly indicated what he stated in the record at the time. He merely wanted the bill to come back with a gross saving of 5 percent in the bill as it passed the Senate.

The Senator from New Hampshire has today reaffirmed the same principle. I am raising the parliamentary question, Is not the Senate the superior body, which has control of the action of its committees? If the intention of the Senate is clear, could there be any parliamentary result to the contrary?

The VICE PRESIDENT. The Senate can instruct its committees as it sees fit. It may make an exception of any amendment which has been agreed to on the floor. However, if it does not make an exception of any amendment agreed to on the floor, the parliamentary effect of recommitment is to nullify all amendments agreed to on the floor. In the recommitment of the bill the other day no exception was made of any amendment. The committee has a perfect right to act upon its own judgment; but in the opinion of the Chair, there is no automatic exception with regard to any amendment

agreed to in the Senate prior to recommitment of the bill.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I agree with the distinguished Vice President that a motion to recommit without instructions would have exactly the effect stated by the Vice President. But does the Vice President agree with me that the motion made by the distinguished Senator from Ohio carried instructions that the committee report the bill with reductions in the appropriations in the amount of the savings specified? Inasmuch as those instructions were stated in the motion, I ask whether under those instructions the bill would take the course the distinguished Vice President has said it would take in regard to nullifying the committee amendments and the amendments added on the floor?

The VICE PRESIDENT. The question is only academically before the Senate; but the Chair is inclined to state rather an ex cathedra opinion.

However, the motion, as made, did not make specific exemption in the case of any amendment.

Mr. WHERRY. Does the distinguished Vice President now hold that in order to have such exception made, an instruction to that effect would have to be given to the committee?

The VICE PRESIDENT. If any committee amendment is agreed to in a form different from that carried in the bill as reported to the floor of the Senate, the Chair is of the opinion that instructions should be given as to that. Otherwise, the action of the Senate on amendments is nullified by the adoption of a motion to recommit.

Mr. TAFT. Mr. President, let me call attention to the terms of the motion. They were that the bill be recommitted, and thereafter be reported to the Senate with amendments providing for a reduction of appropriations equivalent to that provided by the amendment of the Senator from New Hampshire and the Senator from Michigan. It seems to me that the intention was perfectly clear, namely, to do exactly what that amendment would have done. That amendment would not have wiped out the Pepper amendments or any of the other amendments.

Of course, from a parliamentary standpoint, I think it is clear that when the bill is recommitted, all amendments made to the bill are wiped out, for in that case the bill is returned to the committee, and thereafter the committee will report the bill once more to the Senate, and no doubt thereafter it would be necessary for the committee to have all committee amendments approved again. No doubt that is the rule.

However, it seems to me that the language of the motion was clear as to its intent, which was simply to have the committee again report the bill to the Senate, but carrying provision for the same kind of reduction of appropriations which would have been required if the amendment of the Senator from Michigan and the Senator from New Hampshire had been adopted.

Mr. AIKEN obtained the floor.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair has recognized the Senator from Vermont; and he is not required to yield for a parliamentary inquiry.

Mr. AIKEN. Mr. President, I understand that if the bill is recommitted, when the committee again reports the bill to the Senate it will be subject to amendment, just as it was in the first place, when first reported to the Senate.

The VICE PRESIDENT. Undoubtedly.

Mr. AIKEN. Mr. President, in examining the bill, I find that out of some \$2,000,000,000 of appropriations for the postal service, approximately \$1,500,000,000—or 75 percent of the total amount of appropriations carried by the bill—would be used to pay the salaries of postmasters, post office clerks, clerks in the third-class post offices, city mail carriers, RFD carriers, star route carriers, and railway mail clerks. It seems to me that the postal clerks, RFD carriers, city carriers, and the other post office personnel are not now overpaid. I do not believe that at this time they can stand a cut in their salaries or in the case of the RFD carriers, a cut in the payments allowed to them for using their cars in the postal service. In fact, bills now pending in the Congress look toward increasing the pay received by such persons.

However, the bill carries approximately \$500,000,000 of appropriations for other expenses of the Post Office Department; and as to that amount, I think savings may be made.

I am willing to have the bill recommitted, in an effort to see whether the committee can cut \$100,000,000 out of that \$500,000,000, by means of making appropriate cuts, other than cuts in the appropriations for the pay of postal personnel.

However, if the motion to recommit is adopted, and if the bill subsequently is reported by the committee with provision for the making of cuts from the pay of the postal clerks, rural free delivery carriers, or any of the other postal personnel of that type, I shall not only feel free to vote against amendments providing for such cuts, but I actually intend to do so.

It is only with that understanding that I shall vote to recommit the bill, so as to see whether the committee can make some reductions in the \$500,000,000 of appropriations for other purposes carried by the bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from New Hampshire to recommit the bill with instructions. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McMAHON (when his name was called). On this vote I have a pair with the junior Senator from North Carolina [Mr. GRAHAM]. If he were present, I understand he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EAST-

LAND], and the Senator from Alabama [Mr. HILL] are absent on official business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senators from Oklahoma [Mr. KERR and Mr. THOMAS] are absent by leave of the Senate on official business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Kansas [Mr. SCHOEPPPEL]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Kansas would vote "yea."

The Senator from Delaware [Mr. FREAR] is paired on this vote with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Idaho would vote "nay."

The Senator from Alabama [Mr. HILL] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Oklahoma [Mr. KERR] is paired on this vote with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Minnesota would vote "yea."

The Senator from Connecticut [Mr. McMAHON] is paired on this vote with the Senator from North Carolina [Mr. GRAHAM]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from North Carolina would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from New Jersey would vote "yea."

If present and voting the Senator from Mississippi [Mr. EASTLAND] and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Massachusetts [Mr. LODGE] is necessarily absent, and is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Massachusetts [Mr. LODGE] would vote "yea" and the Senator from Alabama [Mr. HILL] would vote "nay."

The Senator from Kansas [Mr. SCHOEPPPEL] is absent by leave of the Senate, and is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas [Mr. SCHOEPPPEL] would vote "yea" and the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness, and is paired with the Senator from Oklahoma [Mr. THOMAS]. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea" and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate, and is paired with the Senator from

Oklahoma [Mr. KERR]. If present and voting, the Senator from Minnesota [Mr. THYE] would vote "yea," and the Senator from Oklahoma [Mr. KERR] would vote "nay."

The result was announced—yeas 38, nays 44, as follows:

YEAS—38

Aiken	George	Millikin
Baldwin	Gillette	Mundt
Brewster	Gurney	Reed
Bricker	Hendrickson	Saltonstall
Bridges	Hickenlooper	Smith, Maine
Butler	Ives	Taft
Byrd	Jenner	Tobey
Cain	Johnson, Colo.	Vandenberg
Capehart	Kem	Watkins
Douglas	Knowland	Wherry
Ecton	McCarthy	Wiley
Ferguson	Malone	Williams
Flanders	Martin	

NAYS—44

Anderson	Johnston, S. C.	Myers
Chapman	Kefauver	Neely
Connally	Kilgore	O'Connor
Cordon	Langer	O'Mahoney
Donnell	Long	Pepper
Downey	Lucas	Robertson
Ellender	McCarran	Russell
Fulbright	McClellan	Sparkman
Green	McFarland	Stennis
Hayden	McGrath	Taylor
Hoyer	McKellar	Thomas, Utah
Holland	Magnuson	Tydings
Humphrey	Maybank	Withers
Hunt	Morse	Young
Johnson, Tex.	Murray	

NOT VOTING—14

Chavez	Kerr	Smith, N. J.
Eastland	Lodge	Thomas, Okla.
Frear	McMahon	Thye
Graham	Miller	Wagner
Hill	Schoeppel	

So Mr. BRIDGES' motion to recommit with instructions was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 3083 was read the third time and passed.

Mr. MAYBANK. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. HAYDEN, Mr. KILGORE, Mr. MCCLELLAN, Mr. JOHNSTON of South Carolina, Mr. CORDON, Mr. REED, and Mr. BRIDGES conferees on the part of the Senate.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I desire to make a brief announcement for the benefit of all Senators. After the conclusion of the consideration of H. R. 3704, which is now the unfinished business, the Senate will then proceed to consider Calendar 213, Senate bill 526, introduced by the distinguished Senator from Arkansas [Mr. MCCLELLAN] and other Senators, which is a bill to provide for

the reorganization of the Government agencies, and for other purposes.

LABOR-FEDERAL SECURITY APPROPRIATION BILL—RECONSIDERATION OF MOTION TO RECOMMIT

Mr. WHERRY. Mr. President, will the distinguished majority leader yield?

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. Can the majority leader say whether the chairman of the Appropriations Committee intends to bring up tomorrow the motion made by the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which House bill 3333, the Labor-Federal Security appropriation bill was recommitted to the Committee on Appropriations?

Mr. LUCAS. In answer to the inquiry propounded by the able minority leader, I ask unanimous consent that the chairman of the Committee on Appropriations be permitted to answer the question.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McKELLAR. Mr. President, I did not make the motion. The distinguished Senator from Rhode Island made the motion, and I understand that he expects to bring it up some time tomorrow afternoon. I shall let the Senator speak for himself.

Mr. GREEN. I am not prepared to make a definite statement.

Mr. WHERRY. Mr. President, if the distinguished majority leader will yield further—

Mr. LUCAS. I yield.

Mr. WHERRY. I feel it is a very important motion, and if it is the intention to bring it up, I think an announcement a little in advance would be appreciated by all Members of the Senate. I trust the majority leader will work that out.

Mr. LUCAS. I certainly agree.

Mr. MAYBANK. Mr. President, will the Senator yield for a parliamentary inquiry?

The VICE PRESIDENT. The Senator cannot yield for a parliamentary inquiry without unanimous consent.

Mr. LUCAS. I merely want to say I agree with the Senator from Nebraska that when the chairman of the Appropriations Committee, the distinguished Senator from Tennessee, and the mover of the motion, the distinguished Senator from Rhode Island, finally conclude upon the day they desire to bring it up, I shall notify the Senator from Nebraska immediately.

Mr. WHERRY. I thank the Senator.

Mr. McKELLAR. I hope that will be done.

Mr. WHERRY. Is it the understanding now that it might be taken up tomorrow?

Mr. McKELLAR. It might be.

Mr. WHERRY. That would not allow very much time after the giving of notice.

Mr. LUCAS. So far as I am concerned, I shall be glad to let it go over.

Mr. McKELLAR subsequently said: Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McKELLAR. I wish to say that I have conferred with the author of the

motion to reconsider the vote by which House bill 3333 was recommitted, and with other Senators, and it will be satisfactory if a vote be had on Monday.

Mr. WHERRY. I thank the distinguished Senator from Tennessee.

Mr. LUCAS. With that understanding, we shall vote on the motion to reconsider at some time during next Monday's session.

TREASURY AND POST OFFICE DEPARTMENTS, ETC., APPROPRIATIONS, 1950—MOTION TO RECONSIDER

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. No motion was made to reconsider the vote by which the Treasury and Post Office bill was just passed, nor was a motion made to lay on the table. Free conferees were suggested to be appointed by the Chair. I understand they were appointed. What is the parliamentary situation in connection with the Treasury and Post Office bill that was just passed? Can a motion be made to reconsider it tomorrow?

The VICE PRESIDENT. A motion can be made within 2 days to reconsider any bill.

Mr. MAYBANK. Mr. President, I make that motion now.

The VICE PRESIDENT. The Senator moves to reconsider the vote by which the Treasury and Post Office appropriation bill was passed.

Mr. TAFT. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. Is the motion in order?

The VICE PRESIDENT. The Senator from South Carolina has a right to enter the motion.

Mr. TAFT. He has a right to enter the motion, but otherwise it is not in order during consideration of the pending District of Columbia revenue bill. Is not that correct?

The VICE PRESIDENT. That is true. Mr. MAYBANK. I make the motion now.

The VICE PRESIDENT. The Senator enters the motion now to reconsider.

Mr. NEELY. Mr. President, I move that the motion be laid on the table.

Mr. WHERRY. Mr. President, a point of order.

The VICE PRESIDENT. The Chair will state that action on the motion would prevent the bill from going to conference. The Senator can only enter the motion; he cannot make the motion at this time. Therefore a motion to lay the motion on the table is not in order.

Mr. MAYBANK. Mr. President, I do not desire to enter the motion if it cannot be acted upon. I withdraw the entry of the motion.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 12, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 11 (legislative day of April 11), 1949:

DEPUTY UNITED STATES SPECIAL REPRESENTATIVE IN EUROPE

William C. Foster, of New York, to be deputy United States special representative in Europe, with the rank of Ambassador Extraordinary and Plenipotentiary.

IN THE ARMY

Brig. Gen. William Edward Bergin, O7127, United States Army, for appointment as Assistant the Adjutant General, United States Army, under the provisions of section 6, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

Col. Kenneth Burman Bush, O6650, United States Army, for temporary appointment as brigadier general in the Army of the United States under the provisions of section 515, Officer Personnel Act of 1947.

WITHDRAWALS

Executive nominations withdrawn from the Senate May 11 (legislative day of April 11), 1949:

POSTMASTERS

KANSAS

Carrie U. Kinnett, Ozawie.
Eula F. Arnsperger, Wellington.

MICHIGAN

Schuyler D. Wade, Swartz Creek.

81ST CONGRESS
1ST SESSION

H. R. 3083

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 1949

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1950,
7 namely:

8 OFFICE OF THE SECRETARY

9 SALARIES

10 For personal services in the District of Columbia,
11 (1) ~~\$700,000~~ \$800,000.

1 DAMAGE CLAIMS

2 For payment of claims pursuant to law (28 U. S. C.
3 2672), \$30,000.

4 HEALTH SERVICE PROGRAMS

5 For health service programs, as authorized by law, in
6 the District of Columbia, \$80,000: *Provided*, That other
7 appropriations in this title shall be available for such pro-
8 grams in the field.

9 REFUNDS UNDER RENEGOTIATION ACT

10 For refunds under section 403 (a) (4) (D) (relat-
11 ing to the recomputation of the amortization deduction) and
12 by the last sentence of section 403 (i) (3) (relating to
13 excess inventories) of the Renegotiation Act; and to refund
14 any amount finally adjudged or determined to have been
15 erroneously collected by the United States pursuant to a
16 unilateral determination of excessive profits, with interest
17 thereon (at a rate not to exceed 4 per centum per annum)
18 as may be determined by the War Contracts Price Adjust-
19 ment Board, computed to the date of certification to the
20 Treasury Department for payment; \$1,800,000: *Provided,*
21 That to the extent refunds are made from this appropriation
22 of excessive profits collected under the Renegotiation Act
23 and retained by the Reconstruction Finance Corporation
24 or any of its subsidiaries, the Reconstruction Finance Cor-
25 poration or the appropriate subsidiary shall reimburse this

1 appropriation: *Provided further*, That refunds made here-
2 under shall be based solely on the certificate of the War
3 Contracts Price Adjustment Board or its duly authorized
4 representatives.

5 DIVISION OF TAX RESEARCH

6 SALARIES

7 For personal services in the District of Columbia,
8 \$135,000.

9 OFFICE OF GENERAL COUNSEL

10 SALARIES

11 For personal services in the District of Columbia,
12 \$330,000.

13 SALARIES AND EXPENSES, OFFICE OF CONTRACT

14 SETTLEMENT

15 For expenses necessary to carry out the provisions of
16 the Contract Settlement Act of 1944, including contract
17 stenographic reporting services, \$70,000.

18 OFFICE OF ADMINISTRATIVE SERVICES

19 SALARIES

20 For personal services in the District of Columbia, in-
21 cluding the operating force of the Treasury, Liberty Loan,
22 and Auditors' buildings, and annexes thereof, ~~(2)~~\$1,100,000
23 \$1,200,000.

24 MISCELLANEOUS EXPENSES

25 For necessary expenses of bureaus and offices of the

1 Treasury Department, not otherwise provided for, including
2 operation of the Treasury, Auditors', and Liberty Loan build-
3 ings and annexes thereof, printing and binding and purchase
4 of materials for the use of the bookbinder located in the
5 Treasury Department; \$325,000.

6 FISCAL SERVICE

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 . For necessary expenses in the District of Columbia,
10 including contract stenographic reporting services and print-
11 ing and binding, \$1,550,000: *Provided*, That Federal
12 Reserve banks and branches may be reimbursed for printing
13 and binding and other necessary expenses incident to the
14 deposit of withheld taxes in Government depositories pur-
15 suant to the Current Tax Payment Act of 1943.

16 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

17 For necessary expenses of the Division of Disbursement,
18 including personal services in the District of Columbia, and
19 printing and binding, \$10,830,000: *Provided*, That with
20 the approval of the Bureau of the Budget there may be
21 transferred or advanced to this appropriation from Railroad
22 Retirement Board, "Conservation and use of agricultural
23 land resources, Department of Agriculture", and from avail-
24 able corporate funds of Government owned or controlled
25 corporations, such sums as may be necessary to cover the

1 expense incurred in performing the function of disbursement
2 therefor.

3 RECOINAGE OF SILVER COINS

4 For reimbursement of the Treasurer of the United States
5 for the difference between the face value of subsidiary silver
6 coins of the United States and the amount the same will
7 produce in new coins, \$150,000.

8 RELIEF OF THE INDIGENT, ALASKA

9 For relief of persons in Alaska (not to exceed 10 per
10 centum of the receipts from licenses collected outside of
11 incorporated towns in Alaska), as authorized by law (48
12 U. S. C. 41), \$20,000.

13 GOVERNMENT LOSSES IN SHIPMENT

14 Fund for payment of Government losses in shipment
15 (revolving fund) : For the payment of losses in accordance
16 with provisions of the Government Losses in Shipment Act,
17 approved July 8, 1937 (50 Stat. 479-484), as amended,
18 \$100,000.

19 REFUND OF MONEYS ERRONEOUSLY RECEIVED AND
20 COVERED

21 For meeting any expenditures of the character formerly
22 chargeable to the appropriation accounts abolished under
23 section 18 of the Permanent Appropriation Repeal Act of
24 1934 (31 U. S. C. 725q), and any other collections erro-
25 neously received and covered which are not properly charge-

1 able to any other appropriation, such amounts as hereafter
2 may be necessary.

3 PAYMENT OF CERTIFIED CLAIMS

4 For payment of claims (not to exceed \$500 in any case)
5 which may be certified by the Comptroller General of the
6 United States to be within the limits of, and chargeable
7 against the balances of the respective appropriations which,
8 after remaining unexpended, have been carried to the sur-
9 plus fund, such amounts as hereafter may be necessary.

10 PAYMENTS OF UNCLAIMED MONEYS

11 For meeting any expenditures of the character formerly
12 chargeable to the appropriation accounts abolished under
13 section 17 of the Permanent Appropriation Repeal Act
14 of 1934 (31 U. S. C. 725p), payable from the trust fund
15 receipts account "Unclaimed moneys of individuals whose
16 whereabouts are unknown", such amounts as hereafter may
17 be necessary.

18 BUREAU OF THE PUBLIC DEBT

19 ADMINISTERING THE PUBLIC DEBT

20 For necessary expenses connected with any public-debt
21 operations authorized by the Second Liberty Bond Act, as
22 amended (31 U. S. C. 760-762), and with the adminis-
23 tration of any public debt or currency issues of the United
24 States with which the Secretary of the Treasury is charged,
25 including not to exceed \$4,415,000 for promoting the sale

1 of savings bonds, \$52,000,000, to be expended as the Sec-
2 retary of the Treasury may direct, and the Secretary is
3 authorized to accept services without compensation: *Pro-*
4 *vided*, That Federal Reserve banks and branches may be
5 reimbursed for expenditures as fiscal agents of the United
6 States on account of public-debt transactions for the account
7 of the Secretary of the Treasury, and advances to the Post-
8 master General may be made in accordance with the pro-
9 visions of section 22 (e) of the Second Liberty Bond Act,
10 as amended (31 U. S. C. 757c (e)): *Provided further*,
11 That the indefinite appropriation provided by section 10 of
12 said Act, as amended, shall not be available for obligation
13 during the current fiscal year.

14 DISTINCTIVE PAPER FOR UNITED STATES CURRENCY

15 For expenses necessary for distinctive paper for United
16 States currency, including personal services and allowance,
17 in lieu of expenses, not to exceed \$50 per month each when
18 actually on duty, of officers detailed from the Treasury
19 Department, \$1,450,000: *Provided*, That in order to foster
20 competition in the manufacture of distinctive paper for United
21 States securities, the Secretary of the Treasury is authorized,
22 in his discretion, to split the award for such paper for the
23 current fiscal year between the two bidders whose prices
24 per pound are the lowest received after advertisement,

1 OFFICE OF THE TREASURER

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Treasurer,
4 including printing and binding, \$5,450,000: *Provided*, That
5 with the approval of the Bureau of the Budget, there may be
6 transferred or advanced to this appropriation, from Railroad
7 Retirement Board, "Conservation and use of agricultural
8 land resources, Department of Agriculture," and from avail-
9 able corporate funds of Government owned or controlled cor-
10 porations, such sums as may be necessary to cover the
11 expenses incurred in the clearing of checks, servicing of
12 bonds, handling of collections, and rendering of accounts
13 therefor.

14 CONTINGENT EXPENSES, PUBLIC MONEYS

15 For the collection, safekeeping, transfer, and disburse-
16 ment of the public money and securities of the United
17 States, \$450,000.

18 BUREAU OF CUSTOMS

19 SALARIES AND EXPENSES

20 For expenses necessary for collecting the revenue from
21 customs, enforcement of navigation laws under section 102,
22 Reorganization Plan Numbered III of 1946, and of other
23 laws enforced by the Bureau of Customs, and the detection
24 and prevention of frauds, including not to exceed \$100,000
25 for the securing of information and evidence; transporta-

1 tion and transfer of customs receipts from points where
 2 there are no Government depositories; examination of esti-
 3 mates of appropriations in the field; not to exceed \$500
 4 for newspapers; not to exceed \$100,000 for stationery;
 5 not to exceed \$12,000 for maintenance and improvement of
 6 buildings and sites, acquired under the Act of June 26, 1930
 7 (19 U. S. C. 68) ; printing and binding; purchase of one
 8 hundred passenger motor vehicles for replacement only;
 9 expenses of seizure, custody, and disposal of property;
 10 arms and ammunition; not to exceed ~~(3)~~\$1,000,000
 11 \$1,040,000 for personal services in the District of Columbia
 12 exclusive of ten persons from the field force authorized to
 13 be detailed under law (19 U. S. C. 1525) ; ~~(4)~~\$35,000,000
 14 \$35,300,000.

15 Hereafter overtime compensation of customs officers and
 16 employees, as authorized by law, shall be based either on
 17 standard or daylight saving time, whichever is observed
 18 where the overtime services are performed.

19 REVOLVING FUND, BUREAU OF CUSTOMS

20 For establishing a revolving fund which shall be avail-
 21 able, without fiscal year limitation exclusively for transfer to
 22 the appropriation for collecting the revenue from customs to
 23 cover obligations of the Bureau of Customs arising from
 24 authorized reimbursable services, pending reimbursement

1 from parties in interest, \$300,000: *Provided*, That amounts
 2 so transferred shall be returned to the revolving fund not
 3 later than six months after the close of the fiscal year in
 4 which transferred.

5 REFUNDS AND DRAW-BACKS

6 For refund or payment of customs collections or receipts,
 7 and payment of debentures or draw-backs, bounties, and
 8 allowances, as authorized by law, such amounts as hereafter
 9 may be necessary.

10 BUREAU OF INTERNAL REVENUE

11 SALARIES AND EXPENSES

12 For necessary expenses in assessment and collection of
 13 internal-revenue taxes; administration of the internal-revenue
 14 laws; discharge of functions imposed upon the Commis-
 15 sioner of Internal Revenue by or pursuant to other laws;
 16 investigations concerning the enrollment or disbarment of
 17 practitioners before the Treasury Department in internal-
 18 revenue matters; and acquisition, operation, maintenance,
 19 and repair of property under title III of the Liquor Law
 20 Repeal and Enforcement Act (40 U. S. C. 304f-m), in-
 21 cluding ~~(5)\$198,400,000 for personal services, of which not~~
 22 ~~to exceed \$17,509,000 shall be available for personal serv-~~
 23 ~~ices in the District of Columbia~~ *personal services in the Dis-*
 24 *trict of Columbia, and elsewhere*; expenses, when specifically
 25 authorized by the Commissioner, of attendance at meetings

1 of organizations concerned with internal-revenue matters;
 2 purchase (not to exceed one hundred and eighty-four for
 3 replacement only) and hire of passenger motor vehicles;
 4 printing and binding; examination of estimates of appro-
 5 priations in the field; services as authorized by section 15
 6 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
 7 expert witnesses at such rates as may be determined by the
 8 Commissioner of Internal Revenue; not to exceed \$1,500,000
 9 for stationery; expenses of seizure, custody, and disposal of
 10 property; purchase of chemical analyses and expenses of
 11 testimony thereon; ammunition; securing of information and
 12 evidence; and not to exceed \$500,000 for detecting and
 13 bringing to trial persons guilty of violating the internal-
 14 revenue laws or conniving at the same, as authorized by law
 15 (26 U. S. C. 3792) ; ~~(6)\$220,500,000~~ \$232,768,000 ~~(7)~~:
 16 *Provided, That the amount for personal services in the Dis-*
 17 *trict of Columbia shall not exceed \$17,509,000.*

18 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

19 For the payment to the Treasurer of Alaska of an amount
 20 equal to the tax of 1 per centum collected on the gross annual
 21 income of all railroad corporations doing business in Alaska,
 22 on business done in Alaska, which tax is in addition to the
 23 normal income tax collected from such corporations on net
 24 income, the amount of such additional tax to be applicable
 25 to general Territorial purposes, \$10,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For expenses necessary to enforce sections 2550-2565; 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171-184) ; the Act of June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198) and the Opium Poppy Control Act of 1942 (21 U. S. C. 188-188n), including personal services in the District of Columbia; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; purchase of chemical analyses and testimony thereon; expenses of seizure, custody, and disposal of property; hire of passenger motor vehicles; arms and ammunition; not to exceed \$10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing; securing of information and evidence; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; (8)\$1,560,000 \$1,610,000.

BUREAU OF ENGRAVING AND PRINTING

SALARIES AND EXPENSES

For expenses necessary for engraving and printing (exclusive of repay work), United States currency and inter-

1 nal-revenue stamps, opium orders and special-tax stamps
 2 required under the Act of December 17, 1914 (26 U. S. C.
 3 1040, 1383), checks, drafts, and miscellaneous work, in-
 4 cluding the Director, two Assistant Directors, and other per-
 5 sonal services in the District of Columbia; wages of rotary
 6 press plate printers at per diem rates and all other plate
 7 printers at piece rates to be fixed by the Secretary of the
 8 Treasury, such rates not to exceed those usually paid for such
 9 work; engravers', printers', and other materials, including
 10 distinctive and nondistinctive paper not otherwise specifically
 11 provided for; purchase of card and continuous form checks;
 12 equipment of, repairs to, and maintenance of buildings and
 13 grounds and minor alterations to buildings; not to exceed
 14 \$500 for periodicals, examples of engraving and printing,
 15 including foreign securities and stamps, and books of refer-
 16 ence; not to exceed \$1,500 for travel; printing and binding;
 17 and not to exceed \$15,000 for transfer to the Bureau of
 18 Standards for scientific investigations; ~~(9)\$15,000,000~~ \$16,-
 19 000,000: *Provided*, That during the current fiscal year pro-
 20 ceeds derived from work performed by direction of the
 21 Secretary of the Treasury but not covered in this appropria-
 22 tion, instead of being covered into the Treasury as miscel-
 23 laneous receipts as provided by the Act of August 4, 1886
 24 (31 U. S. C. 176), shall be credited to this appropriation.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed fifteen) and hire of passenger motor vehicles; printing and binding; arms and ammunition; and not to exceed \$15,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; ~~(10)\$1,900,000~~
\$1,950,000.

1 SALARIES AND EXPENSES, WHITE HOUSE POLICE

2 For necessary expenses, including personal services, uni-
3 forms and equipment, and arms and ammunition, purchases
4 to be made in such manner as the President may determine,
5 \$370,000.

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
8 Department buildings in the District of Columbia, includ-
9 ing the Bureau of Engraving and Printing, and elsewhere,
10 including purchase, repair, and cleaning of uniforms; arms
11 and ammunition; \$700,000: *Provided*, That not to exceed
12 \$193,015 of the appropriation "Salaries and expenses, Bu-
13 reau of Engraving and Printing", may be advanced to this
14 appropriation to cover service rendered such Bureau which
15 is not covered in the direct appropriations for such Bureau:
16 *Provided further*, That the Secetary of the Treasury may
17 detail two agents of the Secret Service to supervise such
18 force.

19 CONTRIBUTION FOR ANNUITY BENEFITS

20 For reimbursement to the District of Columbia on a
21 monthly basis for benefit payments made from the revenues of
22 the District of Columbia to members of the White House
23 Police force and such members of the United States Secret

1 Service Division as are entitled thereto under the Act of Octo-
2 ber 14, 1940 (54 Stat. 1118), to the extent that such benefit
3 payments are in excess of the salary deductions of such mem-
4 bers credited to said revenues of the District of Columbia
5 during the current fiscal year, pursuant to section 12 of the
6 Act of September 1, 1916 (39 Stat. 718), as amended,
7 \$84,600.

8 BUREAU OF THE MINT

9 SALARIES AND EXPENSES

10 For necessary expenses at the mints at Philadelphia,
11 Pennsylvania, San Francisco, California, and Denver,
12 Colorado; the assay offices at New York, New York, and
13 Seattle, Washington; the bullion depositories at Fort Knox,
14 Kentucky, and West Point, New York; and the Office of the
15 Director of the Mint, and for carrying out the provisions of
16 the Gold Reserve Act of 1934 and the Silver Purchase Act
17 of 1934, including personal services in the District of Colum-
18 bia, printing and binding, arms and ammunition, purchase
19 and maintenance of uniforms and accessories for guards, cases
20 and enameling for medals manufactured, net wastage in
21 melting and refining and in coining departments, loss on sale
22 of sweeps arising from the treatment of bullion and the manu-
23 facture of coins, not to exceed \$1,000 for the expenses of the
24 annual assay commission, and not to exceed \$1,000
25 for acquisition, at the dollar face amount or otherwise,

1 of specimen and rare coins, including United States and
2 foreign gold coins and pieces of gold used as, or in lieu of,
3 money, and ores, for addition to the Government's collection;
4 \$4,800,000.

5 BUREAU OF FEDERAL SUPPLY

6 SALARIES AND EXPENSES

7 For necessary expenses, including personal services in
8 the District of Columbia, printing and binding, services as
9 authorized by section 15 of the Act of August 2, 1946
10 (5 U. S. C. 55a), and attendance at meetings of organiza-
11 tions of concern to the work of the Bureau, \$1,450,000:
12 *Provided*, That the general supply fund shall be available
13 for (1) procurement for non-Federal agencies for which a
14 Federal agency is authorized to procure; (2) purchase from
15 or through the Public Printer of standard forms and blank-
16 book work for field warehouse stocking and issue, such issues
17 to be chargeable to applicable appropriations and to be
18 reported as the Public Printer may require; (3) printing
19 and binding, purchase of ten passenger motor vehicles for
20 replacement only, and attendance at meetings of organiza-
21 tions of concern to the operation of the general supply fund;
22 and (4) reconditioning and repair of supplies for Govern-
23 ment service: *Provided further*, That payments to the gen-
24 eral supply fund may be made (1) in advance; (2) by

1 transfer and counter warrants based on itemized invoices at
2 issue prices fixed by the Director; and (3) by vouchers
3 certified by the requisitioning agency on the basis of the
4 Bureau's billing, subject to later adjustment if necessary, and
5 in such cases the certifying officer shall be responsible only
6 for the availability of the funds charged: *Provided further,*
7 That when functions are transferred to the Bureau of Fed-
8 eral Supply, transfers may be made from applicable appro-
9 priations or funds to the Bureau of Federal Supply of
10 amounts approved by the Bureau of the Budget as neces-
11 sary for the proper performance of the functions transferred,
12 including personal services: *Provided further,* That after
13 June 30, 1949, ~~(11) notwithstanding any other provision of~~
14 ~~law,~~ the proceeds of sale of surplus property by the Bureau of
15 Federal Supply shall be covered into the Treasury as miscel-
16 laneous receipts ~~(12)~~, *except where reimbursment to an*
17 *appropriation or fund is authorized by law.*

18 During the current fiscal year, no part of any money
19 appropriated in this or any other Act shall be used during
20 any quarter of such fiscal year to purchase typewriting
21 machines (except bookkeeping and billing machines) at
22 a price which exceeds 90 per centum of the lowest net
23 cash price, plus applicable Federal excise taxes, accorded
24 the most-favored customer (other than the Government, the
25 American National Red Cross, and the purchasers of type-

1 writing machines for educational purposes only) of the
2 manufacturer of such machines during the six-month period
3 immediately preceding such quarter.

4 No part of any money appropriated by this or any
5 other Act for any agency of the executive branch of the
6 Government (which shall include all departments, inde-
7 pendent establishments, and wholly owned Government
8 corporations) shall be used during the current fiscal year
9 for the purchase within the continental limits of the United
10 States of any typewriting machines (except typewriting
11 machines for veterans under public laws administered by
12 the Veterans' Administration) unless the Director of the
13 Bureau of Federal Supply certifies that he is unable to fur-
14 nish such agency with suitable typewriting machines out
15 of stock on hand (13): *Provided, however, That, in ac-*
16 *cordance with regulations prescribed by the Director, Bureau*
17 *of Federal Supply, any agency in the executive branch of*
18 *the Government, within appropriated funds otherwise avail-*
19 *able to such agency, may purchase new typewriters in lieu*
20 *of an equivalent number of typewriters owned by such*
21 *agency which are eight or more years of age, such over-*
22 *age machines to be applied as part payment for new ma-*
23 *chines or disposed of by public sale, whichever is to the*
24 *best interests of the Government.* The Director of the
25 Bureau of Federal Supply is authorized and directed at

1 such times as he may determine to be necessary to survey
2 and determine the numbers and kinds of typewriting ma-
3 chines located in the continental limits of the United States
4 which are at any time surplus to the requirements of any
5 agency in the executive branch of the Government (which
6 shall include all departments, independent establishments, and
7 wholly owned Government corporations). Upon such deter-
8 mination, the Director of the Bureau of Federal Supply is
9 authorized to direct, upon such notice and in such manner
10 as he may prescribe, the head of any such agency to sur-
11 render to the Bureau of Federal Supply any and all type-
12 writing machines surplus to its requirements, the costs of
13 packing, shipping, and handling thereof to be charged to
14 the general supply fund. Each such agency shall furnish
15 the Director of the Bureau of Federal Supply such informa-
16 tion regarding typewriting machines, wherever located, as
17 he may from time to time request. The Bureau of Federal
18 Supply is authorized and directed to receive, hold, sell,
19 exchange, or supply to any branch of the Government,
20 including the District of Columbia, typewriting machines
21 surrendered to it hereunder (14), *except as to typewriters*
22 *eight or more years of age which shall be sold at public sale or*
23 *exchanged as hereinbefore provided.* The Director of the Bu-
24 reau of Federal Supply is authorized to charge each agency
25 to which typewriting machines are supplied hereunder

1 amounts equal to the fair value thereof, as determined by
2 him, and such amounts shall be credited to the general
3 supply fund.

4 GENERAL SUPPLY FUND

5 To increase the general supply fund established by the
6 Act of February 27, 1929, as amended (41 U. S. C. 7c),
7 \$479,803.93.

8 NET RENEGOTIATION REBATES

9 For necessary expenses in connection with the process-
10 ing and determination of net renegotiation rebates under
11 section 403 (a) (4) (D) of the Renegotiation Act,
12 including personal services in the District of Columbia,
13 \$125,000.

14 STRATEGIC AND CRITICAL MATERIALS

15 For necessary expenses in carrying out the provisions of
16 the Strategic and Critical Materials Stock Piling Act of July
17 23, 1946, including personal services in the District of Co-
18 lumbia; services as authorized by section 15 of the Act of
19 August 2, 1946 (5 U. S. C. 55a) ; purchase of fifteen pas-
20 senger motor vehicles; and printing and binding; \$525,-
21 000,000, to be immediately available and to remain available
22 until expended, of which \$250,000,000 is for liquidation of
23 obligations incurred pursuant to authority heretofore granted
24 under this head; and in addition to the amount herein appro-
25 priated, contracts may be entered into for the purposes of

1 the said Act of July 23, 1946, in an amount not in excess of
2 \$250,000,000: *Provided*, That any funds received as pro-
3 ceeds from sale or other disposition of materials on account
4 of the rotation of stocks under said Act shall be deposited
5 to the credit, and be available for expenditure for the pur-
6 poses, of this appropriation: *Provided further*, That during
7 the current fiscal year, there shall be no limitation on the
8 value of surplus strategic and critical materials which, in
9 accordance with subsection 6 (a) of the Act of July 23,
10 1946 (60 Stat. 598), may be transferred to stock piles estab-
11 lished in accordance with said Act.

12 COAST GUARD

13 SALARIES, OFFICE OF THE COMMANDANT

14 For personal services at the seat of Government,
15 \$2,500,000.

16 PAY AND ALLOWANCES

17 For pay and allowances prescribed by law for com-
18 missioned officers, cadets, warrant officers, petty officers,
19 and other enlisted personnel, on active duty, and six civil-
20 ian instructors; not exceeding \$10,000 for cash prizes for
21 men for excellence in boatmanship, gunnery, target prac-
22 tice, and engineering competitions; transportation of
23 dependents of Coast Guard personnel on active duty and
24 retired and Reserve officers and of retired and Reserve
25 enlisted personnel, of grades entitled to transportation of

1 dependents in the Regular Coast Guard, when ordered to
2 active duty (other than training) and upon relief there-
3 from; carrying out the provisions of the Act of June 4,
4 1920 (34 U. S. C. 943) ; not to exceed \$32,200 for cost
5 of instruction of officers at non-Federal institutions, includ-
6 ing books, laboratory equipment and fees, school supplies,
7 and maintenance of students; motion-picture and other equip-
8 ment for instructional purposes; rations or commutation
9 thereof for cadets, petty officers, other enlisted personnel,
10 members of the Coast Guard Auxiliary when assigned spe-
11 cific duties under the provisions of section 8, Act of February
12 19, 1941, as amended (14 U. S. C. 267) , working parties in
13 the field, and officers and crews of light vessels and tenders
14 (14 U. S. C. 135) ; mileage and expenses allowed by law
15 for officers, including per diem rates of allowance, and the
16 Secretary is hereby authorized to prescribe per diem rates
17 of allowance for Public Health Service officers detailed to
18 the Coast Guard as authorized for Coast Guard officers;
19 traveling expenses of other persons traveling on duty under
20 orders from the Treasury Department, including transporta-
21 tion of cadets, enlisted personnel, and applicants for enlist-
22 ment, with subsistence and transfers en route, or cash in lieu
23 thereof; transportation in kind and subsistence to discharged
24 cadets; uniform clothing for enlisted men as provided by
25 law (14 U. S. C. 13) ; clothing for enlisted personnel au-

1 thorized by law; civilian clothing, including an overcoat
2 when necessary, the cost of all not to exceed \$30 per person
3 to enlisted personnel given discharges for bad conduct, un-
4 desirability, unsuitability, or inaptitude; reimbursement in
5 kind or in cash as authorized by law to persons in the Coast
6 Guard for personal property lost, destroyed, or damaged;
7 actual expenses of officers and cadets and quarters and sub-
8 sistence of enlisted personnel on shore patrol, emergency
9 shore detail and other detached duty, or cash in lieu thereof;
10 hire of quarters for officers serving with troops where suffi-
11 cient quarters are not possessed by the United States to ac-
12 commodate them; hire of quarters for Coast Guard personnel
13 comparable to quarters assignable on a capital ship of the
14 Navy, as authorized by the Secretary to meet emergency
15 conditions, including officers and men on sea duty at such
16 times as they may be deprived of their quarters on board
17 ship due to repairs or other conditions which may render
18 them uninhabitable: *Provided*, That under this authorization
19 no funds may be expended for the hire of quarters for occu-
20 pancy by the dependents of officers or enlisted personnel;
21 expenses of recruiting for the Coast Guard; advertising for
22 and obtaining enlisted personnel and applicants for appoint-
23 ment as cadets; training of enlisted personnel, including text-
24 books, school supplies, and correspondence courses; transfer
25 of household goods and effects of Coast Guard and Coast

1 Guard Reserve personnel on active duty and when ordered
 2 to active duty and upon relief therefrom, and the transfer
 3 of household goods and effects of deceased Coast Guard and
 4 Coast Guard Reserve personnel who die while on active duty,
 5 as prescribed by law and regulations; purchase of provisions
 6 for sale to Coast Guard personnel at isolated stations, and
 7 the appropriation reimbursed; and including not to exceed
 8 \$190,000 for recreation, amusement, comfort, contentment,
 9 and health of the enlisted personnel of the Coast
 10 Guard, to be expended pursuant to regulations pre-
 11 scribed by the Secretary; apprehension and delivery of de-
 12 serters and stragglers (14 U. S. C. 147) ; ~~(15)\$74,500,000~~
 13 \$77,445,000: *Provided*, That no part of this appro-
 14 priation shall be used (1) to pay any enlisted man
 15 of the Coast Guard while detailed for duty at Coast
 16 Guard headquarters if such detail increases above thirty the
 17 total number of enlisted men detailed to such duty at any
 18 time, or (2) for increased pay for making aerial flights by
 19 nonflying officers or observers at rates in excess of those
 20 prescribed by law for the Air Force, which shall be the
 21 legal maximum rates as to such nonflying officers or
 22 observers.

23 RETIRED PAY

24 For retired pay for commissioned officers, warrant

1 officers, enlisted personnel, for certain members of the former
2 Life Saving Service authorized by the Act approved April
3 14, 1930 (14 U. S. C. 178a), and for certain officers and
4 employees entitled thereto by virtue of former employment
5 in the Lighthouse Service engaged in the field service or on
6 vessels of the Coast Guard except persons continuously em-
7 ployed in district offices and shops (33 U. S. C. 763, 765),
8 \$13,134,000.

9

GENERAL EXPENSES

10 For expenses necessary for the operation and main-
11 tenance of the Coast Guard ashore and afloat, except as spe-
12 cifically provided for in other appropriations, including per-
13 sonal services; services as authorized by section 15 of the
14 Act of August 2, 1946 (5 U. S. C. 55a); printing and bind-
15 ing; purchase of not to exceed thirty-one passenger motor
16 vehicles for replacement only, and maintenance, operation,
17 and repair of aircraft; improvement of property for Coast
18 Guard purposes, including rental, purchase, or use of addi-
19 tional land where necessary and the purchase of land for bea-
20 cons, daymarks, and fog signals; subsistence and clothing for
21 shipwrecked and destitute persons, including reimbursement,
22 under rules prescribed by the Secretary, of Coast Guard
23 personnel who furnish from their personal stock subsistence
24 and clothing to such persons (33 U. S. C. 749); for pay-
25 ment of claims authorized under the Act of December 28,

1 1945, as amended (31 U. S. C. 222g) ; examination of
 2 estimates of appropriations in the field ; not to exceed \$2,500
 3 for contingencies for the Superintendent, United States
 4 Coast Guard Academy, to be expended in his discretion
 5 (14 U. S. C. 15k) ; payment of rewards for the apprehen-
 6 sion and conviction, or for information helpful therein, of
 7 persons found interfering in violation of law with aids to
 8 navigation maintained by the Coast Guard (14 U. S. C.
 9 50c) ; ~~(16)\$39,225,000~~ \$39,988,000: *Provided*, That the
 10 number of aircraft on hand at any one time shall not exceed
 11 one hundred and ten exclusive of planes and parts stored
 12 to meet future attrition.

13 CIVILIAN EMPLOYEES

14 For personal services in the field, not otherwise pro-
 15 vided for, including per diem labor, \$4,400,000.

16 The Secretary of the Treasury may transfer funds be-
 17 tween the foregoing appropriations for the Coast Guard, but
 18 no appropriation shall be either increased or decreased more
 19 than 5 per centum by such transfers.

20 The capital of the Coast Guard supply fund shall be
 21 increased by the value of commissary provisions and uniform
 22 clothing on hand on July 1, 1949, and thereafter, under
 23 regulations prescribed by the Secretary, the Coast Guard
 24 supply fund shall be charged with the cost of procurement
 25 and credited with the value of provisions consumed or sold,

1 and the value of issues and sales of clothing, such values to
2 be determined on a basis which will not increase the capital
3 of the fund.

4 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

5 For establishing and improving aids to navigation; the
6 purchase or construction of additional and replacement ves-
7 sels and their equipment; the purchase of aircraft and their
8 equipment; the construction, rebuilding, or extension of
9 shore facilities, including the acquisition of sites and im-
10 provements thereon when specifically approved by the Sec-
11 retary; and for expenditures directly relating thereto, in-
12 cluding personal services at the seat of government; \$10,-
13 000,000, to remain available until expended.

14 SEC. 102. No part of any appropriation or authorization
15 in this Act shall be used to pay any part of the salary or
16 expenses of any person whose salary or expenses are pro-
17 hibited from being paid from any appropriation or authoriza-
18 tion in any other Act.

19 SEC. 103. This title may be cited as the "Treasury
20 Department Appropriation Act, 1950".

21 TITLE II—POST OFFICE DEPARTMENT

22 The following sums are appropriated in conformity with
23 5 United States Code 361, 380; 39 United States Code 786,
24 for the Post Office Department for the fiscal year ending
25 June 30, 1950, namely:

DEPARTMENTAL SERVICE

SALARIES

For personal services in the District of Columbia in
bureaus and offices, as follows:

Office of the Postmaster General, including a health
service program as authorized by law, ~~(17)\$435,000~~
\$437,100.

Office of Budget and Administrative Planning,
~~(18)\$125,000~~ \$132,300.

Office of the First Assistant Postmaster General,
~~(19)\$1,290,000~~ \$1,297,000.

Office of the Second Assistant Postmaster General,
~~(20)\$1,250,000~~ \$1,261,000, including \$160,000 available
only for temporary personal services in the District of Colum-
bia, and services as authorized by section 15 of the Act of
August 2, 1946 (5 U. S. C. 55a), in connection with rate
hearings before the Interstate Commerce Commission.

Office of the Third Assistant Postmaster General,
~~(21)\$1,485,000~~ \$1,519,000.

Office of the Fourth Assistant Postmaster General,
~~(22)\$900,000~~ \$927,000.

Office of the Solicitor, including services as authorized
by section 15 of the Act of August 2, 1946 (5 U. S. C.
55a), ~~(23)\$300,000~~ \$305,900.

1 Office of the Chief Inspector, ~~(24)\$435,000~~ \$446,900.

2 Office of the Purchasing Agent, ~~(25)\$95,000~~ \$101,400.

3 Bureau of Accounts, ~~(26)\$550,000~~ \$562,000.

4 CONTINGENT EXPENSES

5 For necessary contingent and miscellaneous expenses
6 not otherwise provided for; printing and binding for the
7 departmental and field services; purchase and exchange of
8 lawbooks and books of reference; newspapers; and not to
9 exceed \$10,500 for travel expenses of the purchasing agent
10 and of the solicitor and personnel connected with those
11 offices; ~~(27)\$2,700,000~~ \$2,865,000.

12 FIELD SERVICE

13 OFFICE OF THE POSTMASTER GENERAL

14 TRAVEL AND MISCELLANEOUS EXPENSES

15 For travel and miscellaneous expenses in the field
16 service, offices of the Postmaster General and Assistant Post-
17 masters General, \$3,000.

18 DAMAGE CLAIMS

19 For payment of claims for damages, current and prior
20 fiscal years, pursuant to law (28 U. S. C. 2672; 31 U. S. C.
21 224c), \$450,000.

22 ADJUSTED LOSSES

23 For payments or credits to postmasters and to mail
24 clerks and assistant mail clerks of the Army, Navy, Air
25 Force, and Coast Guard, of amounts ascertained to have

1 been lost or destroyed during the current or prior fiscal years
 2 through unavoidable casualty, as authorized by law (39
 3 U. S. C. 49), \$75,000.

4 OFFICE OF THE CHIEF INSPECTOR

5 INSPECTORS

6 For personal services of fifteen inspectors in charge of
 7 divisions and eight hundred inspectors, ~~(28)\$4,750,000~~
 8 \$4,810,000.

9 MISCELLANEOUS EXPENSES, INSPECTION SERVICE

10 For necessary travel and miscellaneous expenses incurred
 11 in the operation of the inspection service, including not to
 12 exceed \$27,600 for chemical and other investigations,
 13 ~~(29)\$950,000~~ \$958,000.

14 CLERKS, INSPECTION SERVICE

15 For personal services of three hundred and eighty-
 16 nine clerks in the inspection service, ~~(30)\$1,325,000~~
 17 \$1,333,000.

18 REWARDS

19 For payment of rewards for the detection, arrest, and
 20 conviction of post office burglars, robbers, highway mail
 21 robbers, and persons mailing or causing to be mailed any
 22 bomb, infernal machine, or mechanical, chemical, or other
 23 device or composition which may ignite, or explode, cur-
 24 rent and prior fiscal years, \$55,000: *Provided*, That rewards
 25 may be paid in the discretion of the Postmaster General,

1 when an offender of the classes mentioned was killed in
2 the act of committing the crime or in resisting lawful
3 arrest: *Provided further*, That no part of this sum shall be
4 used to pay any rewards at rates in excess of those specified
5 in Post Office Department Order 36844, dated March 12,
6 1948: *Provided further*, That of the amount herein appro-
7 priated not to exceed \$20,000 may be expended in the
8 discretion of the Postmaster General, for the purpose of
9 securing information concerning violations of the postal laws
10 and for services and information looking toward the appre-
11 hension of criminals.

12 OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL
13 POSTMASTERS

14 For personal services of postmasters, including persons
15 who, pending the designation of an acting postmaster,
16 assume and perform the duties of postmaster in the event
17 of a vacancy in the office of postmaster of the third or
18 fourth class, and persons who perform the duties for post-
19 masters of the fourth class absent on sick or annual leave
20 or leave without pay, and for allowances for rent, light,
21 fuel, and equipment to postmasters of the fourth class,
22 \$104,000,000.

23 ASSISTANT POSTMASTERS

24 For personal services of assistant postmasters at first-
25 and second-class offices, \$15,000,000.

CLERKS, FIRST- AND SECOND-CLASS OFFICES

For personal services of clerks and employees at first- and second-class offices, including auxiliary clerk hire at summer and winter offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes; and a health service program as authorized by law.

(31) ~~\$625,000,000~~ \$633,000,000.

CONTRACT STATION SERVICE

For contract station service, \$3,700,000.

SEPARATING MAILS

For separating mails at fourth-class offices, \$180,000.

UNUSUAL CONDITIONS

For unusual conditions at post offices, \$25,000.

CLERKS, THIRD-CLASS OFFICES

For personal services of clerks at third-class offices,

(32) ~~\$33,000,000~~ \$33,750,000.

MISCELLANEOUS ITEMS, FIRST- AND SECOND-CLASS

OFFICES

For personal services and expenses necessary for the operation and protection of offices of the first and second classes, not otherwise provided for, (33) ~~\$4,500,000~~ \$4,843,000.

VILLAGE DELIVERY SERVICE

For personal services and expenses necessary for the operation of village delivery service in towns and villages

1 having offices of the second or third class, and in communi-
 2 ties adjacent to cities having city delivery, ~~(34)\$375,000~~
 3 \$383,000.

4 DETROIT RIVER SERVICE

5 For Detroit River postal service, \$12,500.

6 CARFARE AND BICYCLE ALLOWANCE

7 For carfare and bicycle allowance, including special
 8 delivery carfare, cost of transporting carriers by privately
 9 owned automobiles to and from their routes, at rates not
 10 exceeding regular streetcar or bus fare, and purchase,
 11 maintenance, and exchange of bicycles, ~~(35)\$3,250,000~~
 12 \$3,500,000.

13 CITY DELIVERY CARRIERS

14 For personal services of carriers in the city delivery
 15 service, and employees in the United States official mail and
 16 messenger service, ~~(36)\$392,000,000~~ \$394,500,000.

17 SPECIAL DELIVERY SERVICE

18 For personal services of and fees to special delivery
 19 messengers, \$16,500,000.

20 RURAL DELIVERY SERVICE

21 For personal services of rural carriers, auxiliary carriers,
 22 substitutes for rural carriers on annual and sick leave, clerks
 23 in charge of rural stations, tolls and ferriage, and necessary
 24 expenses of the rural delivery service, \$153,500,000, of

1 which not less than \$200,000 shall be available for exten-
 2 sions and new service.

3 OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL
 4 STAR ROUTE SERVICE

5 For inland transportation by star routes, ~~(37)\$30,000,000~~
 6 \$33,475,000.

7 POWERBOAT SERVICE

8 For inland transportation by powerboat routes, \$2,250,-
 9 000.

10 RAILROAD AND MESSENGER SERVICE

11 For inland transportation by railroad routes and for mail
 12 messenger service, \$222,708,000: *Provided*, That separate
 13 accounts shall be kept of the amount expended for mail
 14 messenger service.

15 SALARIES, RAILWAY MAIL SERVICE

16 For personal services of fifteen general superintendents,
 17 fifteen assistant general superintendents, four assistant gen-
 18 eral superintendents at large, one hundred and twenty
 19 district superintendents, one hundred and twenty assistant
 20 district superintendents, and other employees in the railway
 21 mail service, ~~(38)\$128,500,000~~ \$129,500,000.

22 TRAVEL ~~(39)ALLOWANCE~~, RAILWAY MAIL SERVICE

23 For travel allowance of the railway mail service, in-
 24 cluding travel expenses of departmental officials and

1 employees (40) of the railway mail service, (41) \$8,000,000
 2 \$8,150,000.

3 MISCELLANEOUS EXPENSES, RAILWAY MAIL SERVICE

4 For necessary expenses of the railway mail service not
 5 otherwise provided for, (42) ~~\$600,000~~ \$737,000.

6 ELECTRIC CAR SERVICE

7 For electric car service, \$175,000.

8 FOREIGN MAIL TRANSPORTATION

9 For transportation of foreign mails, except by aircraft,
 10 \$11,500,000: *Provided*, That not to exceed \$2,000 is hereby
 11 made available for expenses of delegates designated by the
 12 Postmaster General to The Executive and Liaison Commis-
 13 sion and the Transit Commission of the Universal Postal
 14 Union, to be expended in the discretion of the Postmaster
 15 General and accounted for solely on his certificate.

16 AMOUNTS DUE FOREIGN COUNTRIES

17 For payments of amounts due foreign countries for
 18 transportation and handling of mails of United States origin,
 19 current and prior fiscal years, \$10,000,000.

20 INDEMNITIES, INTERNATIONAL MAIL

21 For payment of limited indemnity for the injury or loss
 22 of international mail in accordance with convention, treaty,
 23 or agreement stipulations, current and prior fiscal years,
 24 \$50,000.

FOREIGN AIR MAIL SERVICE

For expenses necessary for transportation of foreign mails by aircraft, as authorized by law, \$45,308,000.

DOMESTIC AIR MAIL SERVICE

For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed \$225,000 for personal services at field headquarters, \$41,753,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

STAMPS AND STAMPED PAPER

For manufacture and distribution of stamps and stamped paper, including not to exceed \$33,000 for personal services of employees and other necessary expenses of the United States Stamped Envelope Agency, \$11,000,000.

INDEMNITIES, DOMESTIC MAIL

For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, current and prior fiscal years, \$4,250,000.

UNPAID MONEY ORDERS

For payment of domestic money orders after one year from the last day of the month of issue of such orders, such amounts as hereafter may be necessary.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER

GENERAL

SUPPLIES AND EQUIPMENT

For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the field service not otherwise provided for; not to exceed \$1,500 for the purchase of atlases and geographical and technical works; not to exceed \$239,000 for personal services, including seventeen traveling mechanics; rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and travel expenses; (43) ~~\$11,000,000~~ \$11,550,000, of which \$750,000 shall be available exclusively for the development, manufacture, and purchase of modern mechanical postal devices to improve and facilitate mail handling, financial operations, and other postal functions: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps at the cost of printing and 10 per centum thereof added.

EQUIPMENT SHOPS

For purchase, manufacture, and repair of mail bags and other equipment for the field service not otherwise provided for; and for expenses necessary for the operation, maintenance, and protection of the mail-equipment-shops building,

1 grounds, and equipment, including not to exceed \$1,510,000
 2 for personal services in the District of Columbia and a health-
 3 service program as authorized by law; \$19,000,000, of
 4 which not to exceed \$15,000 shall be available for the pur-
 5 chase of material and the manufacture in the equipment shops
 6 of such small quantities of distinctive equipment as may be
 7 required by other executive departments.

8 RENT, FUEL, AND UTILITY SERVICES

9 For rent, light, power, fuel, and water, for first-, second-,
 10 and third-class offices, and the cost of advertising for lease
 11 proposals for such offices, ~~(44)\$16,800,000~~ \$17,580,000.

12 PNEUMATIC TUBE SERVICE

13 For rental of not to exceed twenty-eight miles of pneu-
 14 matic tubes, personal services, communication service,
 15 electric power, and other expenses for transmission
 16 of mail in the city of New York including the Borough of
 17 Brooklyn; and for rental of not to exceed two miles of pneu-
 18 matic tubes, not including personal services and power in
 19 operating the same, for the transmission of mail in the city
 20 of Boston, Massachusetts; \$775,000: *Provided*, That the
 21 Acts of April 21, 1902, May 27, 1908, and June 19,
 22 1922 (39 U. S. C. 423), relating to contracts for the trans-
 23 mission of mail by pneumatic tubes or other similar devices
 24 shall not be applicable to the city of New York, and the

1 provisions not inconsistent herewith of the Acts of April
2 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be
3 applicable to the city of Boston.

VEHICLE SERVICE

5 For the hire, purchase, maintenance, repair, and opera-
6 tion of vehicles, including tractors and trailer trucks, for use
7 in the collection, transportation, delivery, and supervision of
8 the mail, including the repair of vehicles owned by, or under
9 the control of, units of the National Guard and departments
10 and agencies of the Federal Government where repairs are
11 made necessary because of utilization of such vehicles in the
12 field service; rental of garage facilities; lease of quarters not
13 exceeding a term of ten years for the housing of Government-
14 owned vehicles, and personal services in the motor vehicle
15 service, ~~(45)\$51,000,000~~ \$53,418,000, of which \$5,631,000
16 shall be available exclusively for the purchase of trucks,
17 including tractors and trailers: *Provided*, That no part of
18 this appropriation shall be expended for maintenance or
19 repair of vehicles for use in connection with administrative
20 work in the departmental service.

TRANSPORTATION OF EQUIPMENT AND SUPPLIES

22 For the transportation and delivery of equipment, mater-
23 ials, and supplies for the departmental and field services by
24 freight, express, or motor transportation, and other incidental
25 expenses, \$900,000.

SALARIES, CUSTODIAL SERVICE

For personal services in the custodial service,
 (46) ~~\$52,300,000~~ \$53,600,000.

SUPPLIES, PUBLIC BUILDINGS

For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, (47) ~~\$8,000,000~~ \$8,523,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of \$250 at any one building: *Provided*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

EQUIPMENT, PUBLIC BUILDINGS

For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now,

1 or may hereafter be, operated by the Post Office Department,
 2 (48) ~~\$1,125,000~~ \$1,250,000: *Provided*, That excepting ex-
 3 penditures for labor for or incidental to the moving of
 4 equipment from or into public buildings, the foregoing
 5 appropriation shall not be used for personal services except
 6 for work done under contract or for temporary job labor
 7 under exigency and not exceeding at one time the sum of
 8 \$100 at any one building: *Provided further*, That all furni-
 9 ture now owned by the United States in other public buildings
 10 or in buildings rented by the United States shall be used, so
 11 far as practicable, whether or not it corresponds with the
 12 present regulation plan of furniture.

13 POSTAL DEFICIENCY

14 DEFICIENCY IN POSTAL REVENUES

15 If the revenues of the Post Office Department shall be
 16 insufficient to meet the appropriations made under this title,
 17 a sum equal to such deficiency in the revenues is hereby
 18 appropriated, to be paid out of any money in the Treasury
 19 not otherwise appropriated, to supply such deficiency in
 20 the revenues for the current fiscal year, and the sum needed
 21 may be advanced to the Post Office Department upon requi-
 22 sition of the Postmaster General.

23 POST OFFICE DEPARTMENT—GENERAL PROVISIONS

24 SEC. 202. Unless otherwise provided, no part of any
 25 appropriation in this title for the field service shall be ex-

1 pended on account of the departmental service: *Provided*,
2 That necessary expenses of officials and employees of the
3 departmental or field services traveling on official business
4 may be paid from the appropriation for the service in con-
5 nection with which the travel is performed: *Provided fur-*
6 *ther*, That appropriations made in this title for the field
7 service, except such as are exclusively for personal services,
8 shall be available for examination of estimates of appropria-
9 tions in the field.

10 SEC. 203. Appropriations made in this title for the de-
11 partmental and field services shall be available for expendi-
12 tures in connection with accident prevention in the respective
13 services.

14 SEC. 204. Not to exceed 5 per centum of any appropria-
15 tion for the field service may be transferred, with the ap-
16 proval of the Director of the Bureau of the Budget, to any
17 other appropriation or appropriations under the field service,
18 but no appropriation shall be increased more than 10 per
19 centum by such transfers.

20 SEC. 205. Appropriations in this title available either
21 for personal services or for necessary expenses or for miscel-
22 laneous supplies shall be available for printing and binding.

23 SEC. 206. Appropriations in this title for the purchase
24 of fuel and the transportation thereof shall be immediately
25 available.

1 **(49)**SEC. 207. *During the fiscal year 1950 the Postmaster*
 2 *General shall make quarterly reports to the Senate and*
 3 *House Committees on Appropriations, showing for each*
 4 *quarter the amount paid from each appropriation for over-*
 5 *time, the number of employees receiving such overtime, and*
 6 *the number of hours of overtime worked by such em-*
 7 *ployees, together with a statement as to the necessity for*
 8 *such overtime work.*

9 SEC. **(50)**~~207~~ 208. This title may be cited as the "Post
 10 Office Department Appropriation Act, 1950".

11 TITLE III—GOVERNMENT CORPORATIONS

12 The following corporations, respectively, are hereby
 13 authorized to make such expenditures, within the limits of
 14 funds and borrowing authority available to each such cor-
 15 poration and in accord with law, and to make such contracts
 16 and commitments without regard to fiscal year limitations
 17 as provided by section 104 of the Government Corporation
 18 Control Act, as amended, as may be necessary in carrying
 19 out the programs set forth in the Budget for the fiscal year
 20 ending June 30, 1950, for each such corporation, except as
 21 hereinafter provided:

22 EXPORT-IMPORT BANK OF WASHINGTON

23 Not to exceed \$950,000 (to be on an accrual basis) of
 24 the funds of the Export-Import Bank of Washington shall
 25 be available during the current fiscal year for all admin-

1 istrative expenses of the bank, including not to exceed
 2 \$300 for periodicals, \$300 for newspapers, and \$500
 3 for maps; health-service program as authorized by law
 4 (5 U. S. C. 150), and not to exceed \$5,000 for tem-
 5 porary services, as authorized by section 15 of the Act
 6 of August 2, 1946 (5 U. S. C. 55a): *Provided*, That
 7 necessary expenses (including special services performed
 8 on a contract or fee basis, but not including other per-
 9 sonal services) in connection with the acquisition, opera-
 10 tion, maintenance, improvement, or disposition of any real
 11 or personal property belonging to the bank or in which it
 12 has an interest, including expenses of collections of pledged
 13 collateral, or the investigation or appraisal of any property
 14 in respect to which an application for a loan has been made,
 15 shall be considered as nonadministrative expenses for the
 16 purposes hereof.

17 RECONSTRUCTION FINANCE CORPORATION

18 Not to exceed (51) ~~\$25,400,000~~ \$26,150,000 (to be
 19 computed on an accrual basis) of the funds of the
 20 Reconstruction Finance Corporation shall be available
 21 during the current fiscal year for its administrative
 22 expenses and the administrative expenses of the Fed-
 23 eral National Mortgage Association; not to exceed \$1,500
 24 for periodicals and newspapers; purchase (not to exceed
 25 (52) ~~thirty~~ fifty-five, for replacement only) and hire of passen-

1 ger motor vehicles; health service program as authorized by
2 law (5 U. S. C. 150) ; use of the services and facilities of the
3 Federal Reserve banks: *Provided*, That as used herein the
4 term "administrative expenses" shall be construed to include
5 all salaries and wages, services performed on a contract or
6 fee basis, and travel and other expenses, including the pur-
7 chases of equipment and supplies, of administrative offices:
8 *Provided further*, That the limiting amount heretofore stated
9 for administrative expenses shall be increased by an amount
10 which does not exceed the aggregate cost of salaries, wages,
11 travel, and other expenses of persons employed outside the
12 continental United States; the expenses of services performed
13 on a contract or fee basis in connection with termination of
14 contracts or in the performance of legal services; and all
15 administrative expenses reimbursable from other Govern-
16 ment agencies: *Provided further*, That the distribution of
17 administrative expenses to the accounts of the Corporation
18 shall be made in accordance with generally recognized
19 accounting principles and practices: *Provided further*, That,
20 except as otherwise provided hereinafter, none of the funds
21 of the Reconstruction Finance Corporation and its subsidiary
22 shall be used for the custody, maintenance, or disposal of any
23 surplus property within the continental limits of the United
24 States, its Territories or possessions, except such property as
25 may be owned by and held for disposal by the Reconstruct-

1 tion Finance Corporation or its subsidiary; but, notwith-
2 standing any other provision of law, the Reconstruction
3 Finance Corporation may waive reimbursement from War
4 Assets Administration for the administrative property trans-
5 ferred prior to July 1, 1946, and for expenses incurred
6 prior thereto in the custody, maintenance, or disposal of any
7 surplus property: *Provided further*, That no part of the funds
8 of the Reconstruction Finance Corporation or of its subsid-
9 iary shall be used to make any purchase or for personal
10 services or to enter into any contract for the use or benefit of
11 any other agency of the Government unless such agency shall
12 have authority in law and appropriations available to make
13 reimbursement for such purchase, personal services, or con-
14 tract.

15 SEC. 302. This title may be cited as the "Export-Import
16 Bank and Reconstructon Finance Corporation Appropriation
17 Act, 1950".

18 TITLE IV—GENERAL PROVISIONS

19 SEC. 401. No part of any appropriation contained in
20 this Act, or of the funds available for expenditure by any cor-
21 poration included in this Act, shall be used to pay the salary
22 or wages of any person who engages in a strike against the
23 Government of the United States or who is a member of an
24 organization of Government employees that asserts the right
25 to strike against the Government of the United States, or who

1 advocates, or is a member of an organization that advocates,
2 the overthrow of the Government of the United States by force
3 or violence: *Provided*, That for the purposes hereof an affi-
4 davit shall be considered prima facie evidence that the person
5 making the affidavit has not contrary to the provisions of this
6 section engaged in a strike against the Government of the
7 United States, is not a member of an organization of Govern-
8 ment employees that asserts the right to strike against the
9 Government of the United States, or that such person does
10 not advocate, and is not a member of an organization that
11 advocates, the overthrow of the Government of the United
12 States by force or violence: *Provided further*, That any
13 person who engages in a strike against the Government of
14 the United States or who is a member of an organization
15 of Government employees that asserts the right to strike
16 against the Government of the United States, or who advo-
17 cates, or who is a member of an organization that advocates,
18 the overthrow of the Government of the United States by
19 force or violence and accepts employment the salary or
20 wages for which are paid from any appropriation or fund
21 contained in this Act shall be guilty of a felony and, upon
22 conviction, shall be fined not more than \$1,000 or imprisoned
23 for not more than one year, or both: *Provided further*, That
24 the above penalty clause shall be in addition to, and not in
25 substitution for, any other provisions of existing law.

1 SEC. 402. This Act may be cited as the “Treasury
2 and Post Office Departments Appropriation Act, 1950”.

Passed the House of Representatives March 3, 1949.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments May 11 (legislative day, April 11), 1949.

Attest: LESLIE L. BIFFLE,
Secretary.

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 1949

Ordered to be printed with the amendments of the
Senate numbered

words, if the return from all crops combined is less than this amount, the farmer is then indemnified the difference, which means that losses are not determined separately on individual crops.

This type of insurance is authorized in 50 counties with the same formula for expansion applying as in the commodity-insurance program.

As has been previously stated, prior to the new act of 1947 going into effect, the crop-insurance program was conducted at considerable loss. Since the new experimental program has been in effect, it has operated on a sound basis. It is thought, therefore, that it is only fair that the loss under the old program be charged off as part of the loss of developing crop insurance on a trial-and-error basis and that the experimental program on which the corporation is now engaged not be burdened with the deficit of the trial-and-error program.

This bill charges off the deficit of approximately \$73,000,000 that was incurred under the old program.

The present law has a provision in it that, if the premiums and reserves on any commodity are not adequate in any year to meet the losses on any commodity, the losses would be paid only on a prorata production basis which means that farmers would have no guaranteed protection in any wide-spread failure and it would not be possible to indemnify a farmer for any loss until the entire loss was known and the claims approved. The present bill remedies that situation.

The present law provides that, starting in 1950, the administrative expenses shall be limited to not in excess of 25 percent of the premium collected the preceding year, which provision was adopted in 1944 while the program was on a Nation-wide basis. We are now on an experimental basis, with the hopes that crop insurance will be expanded. This provision will greatly hamper the expansion program, and since the Congress appropriates annually to cover the needs for the Corporation it appears that there is no need for the present limitation and the bill eliminates this provision.

The present law does not cover insurance on livestock. We have recently experienced what can happen to livestock producers. No insurance is available to them. This act authorized the Corporation to conduct research on livestock insurance.

The present law provides that insurance shall be against loss of the insured commodity while in the field due to unavoidable causes. The present bill leaves out the words "while in the field," which will enable the Corporation to conduct its insurance protection until the crop is ready for market.

In most instances the crop is ready for market when it is threshed or otherwise housed in the field. But this is not true as to every crop, particularly tobacco, which crop is not ready for market until it has remained sometime in the curing barn. This amendment permits the Corporation to insure such crops until they are a marketable commodity and their

value can be determined. There is no available private insurance to cover this phase of the curing of the crops. Due to the fact that disease or insects can cause much damage while the crop is in the barn being cured and made ready for the market.

All in all, it is thought that much progress has been made since the 1947 act. Provisions in this bill will be most helpful in carrying out the intent of the Congress and in expanding a sound, real insurance program that will be of help to the producers of this country.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MONRONEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3825) to amend the Federal Crop Insurance Act, pursuant to House Resolution 212, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter.

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. COUDERT. Mr. Speaker, reserving the right to object, on behalf of the minority there is no objection, but I should like to point out that the Senate has raised the House bill beyond all reason and I certainly hope the conference committee will be able to bring back something closely resembling the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. GARY, FERNANDEZ, PASSMAN, CANNON, CANFIELD, and COUDERT.

RECESS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the House stand in recess until 1 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Accordingly (at 12 o'clock and 28 minutes p. m.) the House stood in recess until 1 o'clock.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock p. m.

R. C. OWEN AND OTHERS

Mr. CELLER. Mr. Speaker, I submit a privileged report (No. 611) from the Committee on the Judiciary on the bill (H. R. 1036) for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen, which I send to the desk and ask to have read.

The Clerk read as follows:

CONSIDERATION OF H. R. 1036 OVER VETO MESSAGE

Mr. CELLER, from the Committee on the Judiciary, submitted the following report:

The Committee on the Judiciary, to whom was referred the bill (H. R. 1036) for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen, former partners doing business as R. C. Owen, of Gallatin, Tenn., together with the objections of the President thereto, having reconsidered said bill and the objections of the President thereto, report the same back to the House with the recommendation that said bill do pass, the objections of the President to the contrary notwithstanding.

This bill, H. R. 1036, provides for payment of the sum of \$8,437.98 to R. C. Owen, R. C. Owen, Jr., and Roy Owen, former partners doing business as R. C. Owen, of Gallatin, Tenn.; such sum represents the amount which they paid to the United States for internal-revenue tobacco stamps; such stamps were completely destroyed on December 24, 1945, when a fire destroyed claimants' factory, together with the equipment, tobacco, and tobacco stamps therein.

These stamps, which were in various denominations, were valued at \$8,437.98, which was the price paid for them by the said manufacturer. The Treasury Department requires the manufacturer, through his collector of internal revenue, to always keep a record reflecting the amount of stamps on hand and that a report of this balance be returned to the collector once each month. The collector did not require that the records show the various denominations of the stamps but only their total value. The report to the collector reflected only the total value. These records were properly kept by the Owens and at the time of the fire showed stamps on hand of the value set forth in this bill, which were completely destroyed by fire. Not only did the records of the Owens show this but the records of the collector's office at Nashville, Tenn., showed the same thing.

Immediately after the fire, R. C. Owen filed claim on form 843 with the collector of internal revenue, Nashville, Tenn., seeking a refund of the value of the stamps or the stamps themselves replaced, as provided for in sections 156 and 3304, title 26, United States Code Annotated. This claim was filed January 10, 1946. At the time of the fire the records of R. C. Owen indicated the exact amount of the stamps on hand, as well as the amount with which R. C. Owen was charged by the collector of internal revenue. Soon after the fire, Mr. S. C. Willis, a deputy

collector for the Nashville, Tenn., office, investigated the fire, acknowledged the loss of these stamps by the fire, and R. C. Owen was given credit against his inventory for these stamps and was no longer charged with them by the collector of internal revenue. This claim has been rejected by the collector of internal revenue and, in turn, rejected by the Commissioner in Washington. The reason given was that heretofore the Secretary of the Treasury ruled that no refund or redemption might be allowed unless the stamps themselves were submitted. However, in this instance, the fire was of an unknown origin and there was no way to submit the stamps or the destruction of the same being supervised by the Commissioner.

The Treasury Department in its report states: "As is commonly known, a person having the misfortune of losing an amount of currency through destruction by fire may recover his loss by claim upon the Government only to the extent that the currency can be submitted in recognizable form for replacement. Obviously, that rule is necessary to protect the Government against fraudulent claims."

The veto message states: "It appears that claimants' firm was a dealer in leaf tobacco and also a manufacturer of certain tobacco products in Gallatin, Tenn. On the night of December 24, 1945, one of the buildings belonging to the firm, part of which was used as a factory and part as a warehouse, was destroyed by fire. According to affidavits submitted by R. C. Owen, Jr., as a member of the firm, the chief of police, and the assistant chief of the fire department, the building, including its contents, was a complete loss. The firm filed a claim with the Bureau of Internal Revenue for the value of the tobacco stamps allegedly on hand in the factory at the time of the fire and therefore destroyed by it, but this claim was disapproved by that Bureau on the ground that under existing law refund could be made only where the stamps were submitted to the Bureau in a recognizable condition or were destroyed under the supervision of a deputy collector."

"A person who loses currency through destruction by fire may recover such loss only to the extent that such currency can be submitted in a recognizable form for replacement. Such rule is necessary to protect the Government against fraudulent claims. A similar situation prevails with regard to postage stamps. The Government does not assume the obligation of an insurer at the time of selling internal-revenue stamps to a taxpayer for subsequent use in payment of a particular excise tax. Enactment of the bill would grant relief to this firm which is not granted to other persons similarly situated, and such special treatment would be discriminatory against taxpayers generally."

"The regulations which prohibit refunds in cases of this type were promulgated with the view to preventing frauds upon the Government. The situation of claimant firm is not different from that of a number of other persons who have been refused refunds because of their inability to comply with the regulations pertaining to such refunds. The Government cannot make refund in the absence of satisfactory proof that the stamps in question were actually destroyed."

"Accordingly, I am unable to approve the bill."

The attention of the House is called to a report submitted to the Committee on the Judiciary, dated August 26, 1948, which states as follows:

"FOR THE RELIEF OF JAMES G. SMYTH (INTERNAL REVENUE COLLECTOR)

"The facts in the case are as follows: On April 6, 1948, Mrs. Idyl Acuff, stamp deputy of the Santa Rosa, Calif., branch office of the first California internal revenue collection district, received a shipment of wine stamps from the main office at San Francisco, Calif.

The shipment consisted of 50,000 stamps of the 60-cent denomination, 50,000 stamps of the \$1.44 denomination, 10,000 stamps of the \$5 denomination, and 100 stamps of the \$500 denomination. The stamps were unwrapped and counted by Mrs. Acuff and found to agree with the invoice. Pending verification of the count, the wrappings were preserved on top of one of the safes, of which there were three in the Santa Rosa office. In storing the stamps, the Santa Rosa office keeps those of large denominations, used for evidencing tax payment on tank lot withdrawals, in a separate manila envelope. To complete storage of the shipment in question, this envelope was taken from the safe for insertion of the \$500 denomination stamps, consisting of 2 sheets of 50 each. The prior contents of the envelope consisted of 31 stamps of the \$3,000 denomination. All evidence points to the fact that through some quirk of fate the envelope was associated with the shipment wrappings which were deposited in a waste basket after verification of their contents. Early the next morning the janitor dumped the contents of the office waste baskets into a pasteboard carton, without examination of the contents, and incinerated the carton in the building furnace.

"Later in the morning of April 7, 1948, the office had an order for a \$3,000 denomination of stamp, and, not being able to locate the envelope, Mrs. Acuff and Deputy Collector Walter J. Butler went to the furnace room to examine the wastepaper collection, but which in the meantime had been incinerated. The ashes were raked out, but all paper had been completely consumed by fire."

"This stamp loss was thoroughly investigated by Special Intelligence Agent Anthony Sherman with the conclusion that the stamps were destroyed as stated."

"Shortly after the stamp loss was discovered the Santa Rosa office was checked and examined by Supervisor of Accounts and Collections Frank L. Blote, who found the stamp accounts in perfect condition, except for the shortage of 100 stamps of the \$500 denomination and 31 stamps of the \$3,000 denomination. There was no evidence of the safes having been tampered with or in fact of any theft. Acting District Supervisor J. F. Corridan, alcohol tax unit, will have all \$500 and \$3,000 wine stamps presented for cancellation in his district checked against purchase orders as a cautionary measure."

"This department is satisfied that the Government has suffered no loss in this case and recommends that bill H. R. 6562 for the relief of James G. Smyth be favorably considered."

The committee is unable to reconcile these two reports. Public Law No. 321 of the Eightieth Congress is as follows:

"That the General Accounting Office is authorized, after consideration of the pertinent findings and if in concurrence with the determinations and recommendations of the head of the department or independent establishment concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any such department or independent establishment of the Government charged with responsibility on account of physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers in his charge, if the head of the department or independent establishment determines (1) that such loss or deficiency occurred while such officer or agent was acting in the discharge of his official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such officer or agent; and (2) that such loss or deficiency occurred without fault or negligence on the part of such officer or agent. This act shall be applicable only to the actual physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers, and shall not include

deficiencies in the accounts of such officers or agents resulting from illegal or erroneous payments."

And relief has been given many Government employees under this law. However, there is no law to give relief to private business, and it would appear to the committee that it is discriminatory for the departments to give relief to Federal employees and to oppose legislation which passed the Congress for the relief of private business.

The report in connection with relief for James G. Smyth, collector for the Bureau of Internal Revenue for the west California district, is not consistent with the report and veto on H. R. 1036 for the relief of the R. C. Owen Tobacco Co. Also, in this report it is stated that the Department was satisfied that the Government had suffered no loss in this case and recommended that it be given favorable consideration. The Committee on the Judiciary is unable to see where the Government had any loss in the R. C. Owen Tobacco Co. claim. The amount in which the Treasury Department desires to relieve Mr. Smyth is \$143,000, while the Owen claim amounts to only \$8,437.98. The Treasury Department also states that to give the Owen's relief would be giving special treatment in discrimination against taxpayers generally. It would appear that the same situation should apply to Mr. Smyth, the internal-revenue collector of California. However, the Department doesn't appear to feel that way about the matter.

[H. Doc. 161, 81st Cong., 1st sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, RETURNING WITHOUT APPROVAL A BILL (H. R. 1036) FOR THE RELIEF OF R. C. OWEN, R. C. OWEN, JR., AND ROY OWEN

To the House of Representatives:

I return herewith, without my approval, the enrolled bill (H. R. 1036) for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen.

The bill provides for payment of the sum of \$8,437.98, to R. C. Owen, R. C. Owen, Jr., and Roy Owen, former partners doing business as R. C. Owen, of Gallatin, Tenn., which sum represents the amount they paid to the United States for internal-revenue tobacco stamps, which stamps were completely destroyed on December 24, 1945, when a fire destroyed claimants' factory, together with the equipment, tobacco, and tobacco stamps therein.

It appears that claimants' firm was a dealer in leaf tobacco and also a manufacturer of certain tobacco products in Gallatin, Tenn. On the night of December 24, 1945, one of the buildings belonging to the firm, part of which was used as a factory and part as a warehouse, was destroyed by fire. According to affidavits submitted by R. C. Owen, Jr., as a member of the firm, the chief of police, and the assistant chief of the fire department, the building, including its contents, was a complete loss. The firm filed a claim with the Bureau of Internal Revenue for the value of the tobacco stamps allegedly on hand in the factory at the time of the fire and therefore destroyed by it, but this claim was disapproved by that Bureau on the ground that under existing law refund could be made only where the stamps were submitted to the Bureau in a recognizable condition or were destroyed under the supervision of a deputy collector.

A person who loses currency through destruction by fire may recover such loss only to the extent that such currency can be submitted in a recognizable form for replacement. Such rule is necessary to protect the Government against fraudulent claims. A similar situation prevails with regard to postage stamps. The Government does not assume the obligation of an insurer at the time of selling internal-revenue stamps to a taxpayer for subsequent use in payment of

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1950

JUNE 14, 1949.—Ordered to be printed

Mr. GARY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3083]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 11, 12, 17, 18, 19, 29, 30, 39, 40, 41, and 50, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$750,000; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,150,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,020,000; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$35,150,000; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$15,660,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,925,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$76,250,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$39,400,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,255,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,490,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$907,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$302,600; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$440,000; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$98,000; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$556,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,800,000; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,780,000; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$629,000,000; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$33,250,000; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,625,000; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,300,000; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$393,000,000; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$31,000,000; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$128,750,000; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$650,000; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,300,000; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$17,200,000; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$51,500,000; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$52,800,000; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$8,150,000; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,205,000; and the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$25,775,000; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows:

In lieu of the word proposed by said amendment insert *forty*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, and 49.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
G. CANFIELD,

Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
HARLEY M. KILGORE,
JOHN L. McCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

TITLE I—TREASURY DEPARTMENT

Amendment No. 1: Appropriates \$750,000 for salaries in the Office of the Secretary instead of \$700,000 as proposed by the House and \$800,000 as proposed by the Senate.

Amendment No. 2: Appropriates \$1,150,000 for salaries in the Office of Administrative Services instead of \$1,100,000 as proposed by the House and \$1,200,000 as proposed by the Senate.

Amendment No. 3: Authorizes the expenditure of not to exceed \$1,020,000 for personal services in the District of Columbia under the Bureau of Customs instead of \$1,000,000 as proposed by the House and \$1,040,000 as proposed by the Senate.

Amendment No. 4: Appropriates \$35,150,000 for salaries and expenses of the Bureau of Customs instead of \$35,000,000 as proposed by the House and \$35,300,000 as proposed by the Senate.

Amendment Nos. 5, 6, and 7: Reported in disagreement.

Amendment No. 8: Appropriates \$1,610,000 for salaries and expenses of the Bureau of Narcotics as proposed by the Senate instead of \$1,560,000 as proposed by the House.

Amendment No. 9: Appropriates \$15,660,000 for salaries and expenses of the Bureau of Engraving and Printing instead of \$15,000,000 as proposed by the House and \$16,000,000 as proposed by the Senate.

Amendment No. 10: Appropriates \$1,925,000 for salaries and expenses of the Secret Service Division instead of \$1,900,000 as proposed by the House and \$1,950,000 as proposed by the Senate.

Amendment Nos. 11 and 12: Clarify the provision relating to handling proceeds from the sale of surplus property by the Bureau of Federal Supply as proposed by the Senate.

Amendments Nos. 13 and 14: Strike out a proposal of the Senate for a trade-in program of typewriters which are eight or more years of age. Between now and the consideration of the next budget for the Bureau of Federal Supply the Committee on Appropriations of the House will have its investigative staff make a study of the utilization and general situation with respect to purchase and repair of typewriters in the Government.

Amendment No. 15: Appropriate \$76,250,000 for pay and allowances of Coast Guard personnel instead of 74,500,000 as proposed by the House and \$77,445,000 as proposed by the Senate.

Amendment No. 16: Appropriates \$39,400,000 for general expenses of the Coast Guard instead of \$39,225,000 as proposed by the House and \$39,988,000 as proposed by the Senate.

TITLE II—POST OFFICE DEPARTMENT

DEPARTMENTAL SERVICE

Amendment No. 17: Appropriates \$437,100 for salaries in the Office of the Postmaster General as proposed by the Senate instead of \$435,000 as proposed by the House.

Amendment No. 18: Appropriates \$132,300 for salaries in the Office of Budget and Administrative Planning as proposed by the Senate instead of \$125,000 as proposed by the House.

Amendment No. 19: Appropriates \$1,297,000 for salaries in the Office of the First Assistant Postmaster General as proposed by the Senate instead of \$1,290,000 as proposed by the House.

Amendment No. 20: Appropriates \$1,255,000 for salaries in the Office of the Second Assistant Postmaster General instead of \$1,250,000 as proposed by the House and \$1,261,000 as proposed by the Senate.

Amendment No. 21: Appropriates \$1,490,000 for salaries in the Office of the Third Assistant Postmaster General instead of \$1,485,000 as proposed by the House and \$1,519,000 as proposed by the Senate.

Amendment No. 22: Appropriates \$907,000 for salaries in the Office of the Fourth Assistant Postmaster General instead of \$900,000 as proposed by the House and \$927,000 as proposed by the Senate.

Amendment No. 23: Appropriates \$302,600 for salaries in the Office of the Solicitor instead of \$300,000 as proposed by the House and \$305,900 as proposed by the Senate.

Amendment No. 24: Appropriates \$440,000 for salaries in the Office of the Chief Inspector instead of \$435,000 as proposed by the House and \$446,900 as proposed by the Senate.

Amendment No. 25: Appropriates \$98,000 for salaries in the Office of the Purchasing Agent instead of \$95,000 as proposed by the House and \$101,400 as proposed by the Senate.

Amendment No. 26: Appropriates \$556,000 for salaries in the Bureau of Accounts instead of \$550,000 as proposed by the House and \$562,000 as proposed by the Senate.

Amendment No. 27: Appropriates \$2,800,000 for contingent expenses instead of \$2,700,000 as proposed by the House and \$2,865,000 as proposed by the Senate.

FIELD SERVICE

Amendment No. 28: Appropriates \$4,780,000 for salaries of inspectors instead of \$4,750,000 as proposed by the House and \$4,810,000 as proposed by the Senate.

Amendment No. 29: Appropriates \$958,000 for miscellaneous expenses, inspection service, as proposed by the Senate instead of \$950,000 as proposed by the House.

Amendment No. 30: Appropriates \$1,333,000 for salaries of clerks in the inspection service as proposed by the Senate instead of \$1,325,000 as proposed by the House.

Amendment No. 31: Appropriates \$629,000,000 for clerks, first- and second-class offices, instead of \$625,000,000 as proposed by the House and \$633,000,000 as proposed by the Senate.

Amendment No. 32: Appropriates \$33,250,000 for clerks, third-class offices, instead of \$33,000,000 as proposed by the House and \$33,750,000 as proposed by the Senate.

Amendment No. 33: Appropriates \$4,625,000 for miscellaneous items, first- and second-class offices, instead of \$4,500,000 as proposed by the House and \$4,843,000 as proposed by the Senate.

Amendment No. 34: Appropriates \$375,000 for village-delivery service as proposed by the House instead of \$383,000 as proposed by the Senate.

Amendment No. 35: Appropriates \$3,300,000 for carfare and bicycle allowance instead of \$3,250,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

Amendment No. 36: Appropriates \$393,000,000 for city-delivery carriers instead of \$392,000,000 as proposed by the House and \$394,500,000 as proposed by the Senate.

Amendment No. 37: Appropriates \$31,000,000 for star route service instead of \$30,000,000 as proposed by the House and \$33,475,000 as proposed by the Senate.

Amendment No. 38: Appropriates \$128,750,000 for salaries, railway mail service, instead of \$128,500,000 as proposed by the House and \$129,500,000 as proposed by the Senate.

Amendment No. 39: Amends an appropriation title as proposed by the Senate.

Amendment No. 40: Adds clarifying language as proposed by the Senate.

Amendment No. 41: Appropriates \$8,150,000 for travel, railway mail service, as proposed by the Senate instead of \$8,000,000 as proposed by the House.

Amendment No. 42: Appropriates \$650,000 for miscellaneous expenses, railway mail service, instead of \$600,000 as proposed by the House and \$737,000 as proposed by the Senate.

Amendment No. 43: Appropriates \$11,300,000 for supplies and equipment instead of \$11,000,000 as proposed by the House and \$11,550,000 as proposed by the Senate.

Amendment No. 44: Appropriates \$17,200,000 for rent, fuel, and utility services instead of \$16,800,000 as proposed by the House and \$17,580,000 as proposed by the Senate.

Amendment No. 45: Appropriates \$51,500,000 for vehicle service instead of \$51,000,000 as proposed by the House and \$53,418,000 as proposed by the Senate.

Amendment No. 46: Appropriates \$52,800,000 for salaries, custodial service, instead of \$52,300,000 as proposed by the House and \$53,600,000 as proposed by the Senate.

Amendment No. 47: Appropriates \$8,150,000 for supplies, public buildings, instead of \$8,000,000 as proposed by the House and \$8,523,000 as proposed by the Senate.

Amendment No. 48: Appropriates \$1,205,000 for equipment, public buildings, instead of \$1,125,000 as proposed by the House and \$1,250,000 as proposed by the Senate.

Amendment No. 49: Reported in disagreement.

Amendment No. 50: Corrects a section number.

RECONSTRUCTION FINANCE CORPORATION

Amendment No. 51: Authorizes the expenditure of not to exceed \$25,775,000 for administrative expenses instead of \$25,400,000 as proposed by the House and \$26,150,000 as proposed by the Senate.

Amendment No. 52: Allows for the purchase of not to exceed 40 passenger motor vehicles instead of 30 as proposed by the House and 55 as proposed by the Senate.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

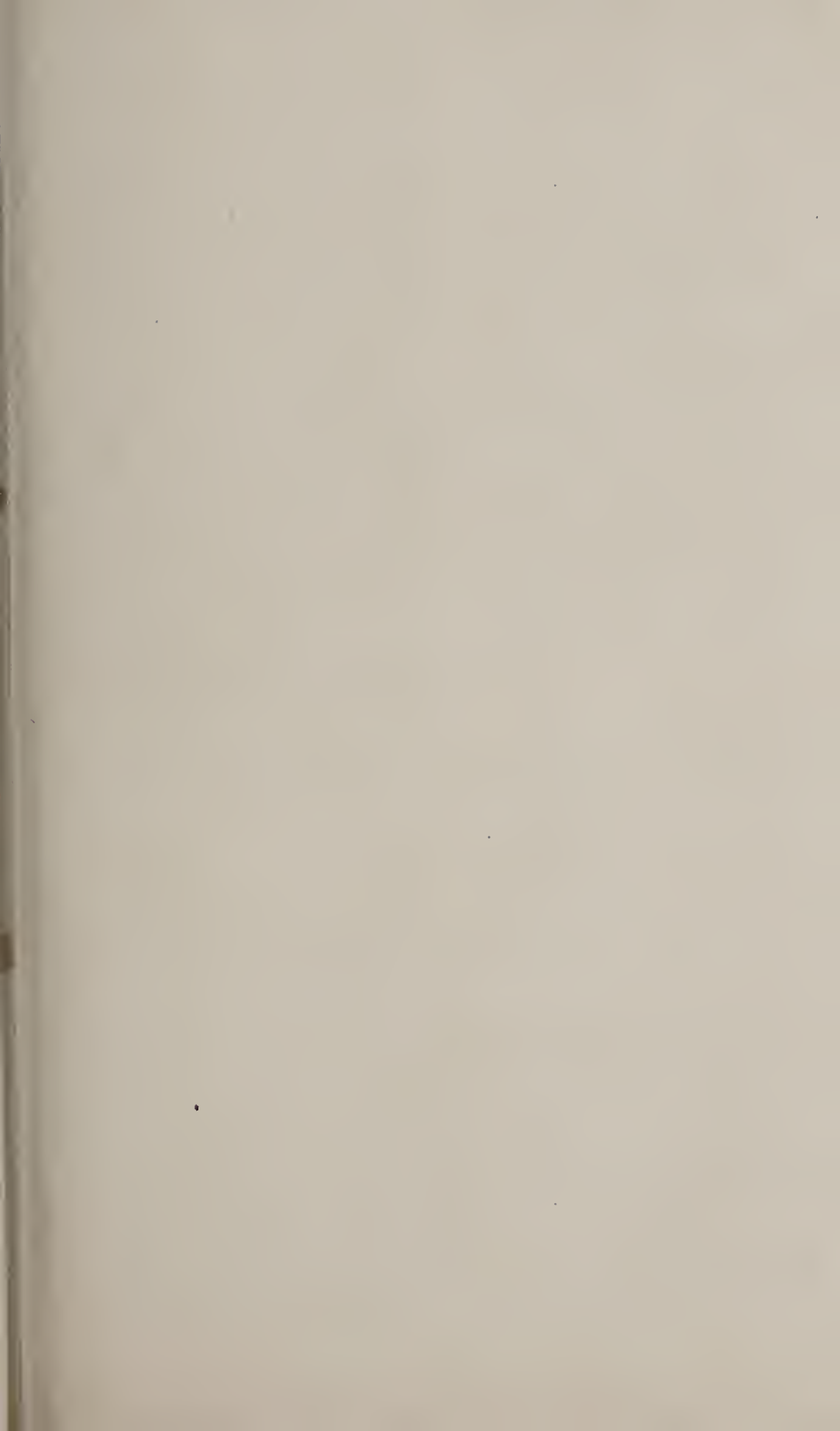
Amendments Nos. 5, 6, and 7, relating to the Bureau of Internal Revenue. The House managers will move to insist upon disagreement.

Amendment No. 49 requires that the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations relating to payments for overtime. The House managers will move to recede from disagreement and concur in the Senate amendment.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
G. CANFIELD,

Managers on the Part of the House.





BASING-POINT SYSTEM ADVERSE TO SMALL-BUSINESS ENTERPRISE—FAVORS BIG BUSINESS

The best economic opinion both within the Commission and without is that the basing-point system and freight absorption constitute a price structure that is skewed in a direction adverse to the ambitions of small enterprises and is weighted in favor of the large chain operator. Anyone who favors this bill therefore favors giving statutory support for a pricing structure which is slanted in favor of big business. We cry for an amended section 7 to prevent corporate acquisitions while we propose to wink at a pricing practice which promotes such acquisitions. To me it is a case of the right hand not knowing or not caring what the left hand is doing.

S. 1008, AS AMENDED, GIVES PRICE DISCRIMINATION A SPECIAL AND PREFERRED STATUS

Section 2 of the bill would amend the Clayton Act to give the price discriminations which are inherent in delivered-price systems and freight absorptions a special and preferred status. Under 2A of the bill the independent use of zone-delivered prices cannot be challenged as a price discrimination no matter how it injures competition, unless there are zone differentials which happen to cause such injury. This goes beyond anything that the proponents of S. 236 or S. 1008 have proposed so far as I know. It is an effort to give a statutory status to the ill-considered dictum of the Supreme Court in the Staley case regarding the absence of discrimination in a uniform zone-delivered price. But it flies in the face of the Supreme Court's statement (not dictum) in the same case that it is a discriminatory system where buyers adjacent to the seller's plant are not given the lower prices which their proximity entitles them to expect. Moreover, it precludes any challenge to zone-delivered prices as discriminatory on the theory that mill net is the real price which was the theory adopted by the Supreme Court in the Staley and Corn Products cases. Not content with defining price in terms of commercial law in section 4A, to which no one can object, section 2A makes zone-delivered prices nondiscriminatory regardless of the commercial law of price. Commercial law might make mill net the real price but discriminations in mill net would still be legalized under 2A. It is well to remember that the commercial law of price did not figure at all in the Glucose cases but the Supreme Court did not hesitate to find and measure the discrimination in terms of mill net, which was just what the Commission had done and which no one could do otherwise.

S. 1008 APPROVAL WOULD REQUIRE FEDERAL TRADE COMMISSION TO DISMISS DISCRIMINATION COUNT IN NATIONAL LEAD CASE

I do not understand how one can criticize the basing-point system because it contains phantom freight and freight absorption and at the same time accept the zone system which contains them both in more arbitrary form and degree. A basing-point system can conceivably eliminate phantom freight and depend wholly on freight absorption but a zone system must have both. A basing-point system involves some substantial adherence to the principle of due allowance for differences in cost of delivery; the zone system disregards it entirely. Once established and in operation there is no system which so neatly facilitates concurrent action to eliminate price competition without extraneous evidence of conspiracy as the zone system. The bill would put a premium on zone systems over basing-point systems. Approval of the bill would require the Commission to dismiss the discrimination count in the National Lead case, though I am informed that under commercial law mill net has been treated as the real price in that industry.

S. 1008 WOULD LEGALIZE PHANTOM FREIGHT

Section 4 C defines freight absorption to include situations where the actual freight is less than the average cost of transportation to the seller. This applies to zone systems only but, as already observed, this is surplusage since zone systems are legalized under section 2 A, even though they include phantom freight.

NORMAL METHODS OF CLARIFYING LAW REVERSED—PASSAGE OF S. 1008 WOULD BE A VOTE OF NO CONFIDENCE IN PRESENT METHODS

Under section 2 B of the bill it is noted that the standard of competitive injury is changed from "may be" to "will be." This means that for discrimination in price in the form of freight absorption there is a more onerous standard of competitive injury than for discrimination of other types. Experience certainly does not warrant this sort of discrimination in favor of freight absorption as against other types of price discrimination. I do not see the necessity for a statutory declaration of the right to maintain a customary differential above or below the price of a competitor when the statute also permits the withdrawal of the differential where necessary to meet the equally low price of a competitor. I do not believe the potentialities of this provision have been adequately explored.

But even though "will be" were changed to "may be" in the parenthetical clause of section 2 B, there would be a definite allergic reaction between the substantive part of the section which specifically exempts freight absorption from the law against price discrimination and the parenthetical attempt to restrict the scope of the exemption. Endless litigation would be necessary before the confusion implicit in this allergic relationship could be solved. In my judgment, the issue of clarification is a sham. The real issue is the manner and direction in which so-called clarification is to proceed, whether the Congress will intervene to reverse the normal method of clarifying the law through the case-by-case scrutiny of the Commission and of the highest Federal courts, the gradual process of judicial inclusion and exclusion. Enactment of the bill would be a vote of no confidence in that process.

S. 1008 WOULD LEGALIZE CUTTHROAT COMPETITION

It appears that the maximum amount of freight absorption which the bill would legalize is the total cost of transportation from point of shipment to place of delivery. That is more than is necessary for the successful operation of a basing-point system. Ordinarily the system operates by the systematic absorption of only part of the transportation cost, figured in terms of rail freight. I am aware of no usage in industry of the term "freight absorption" that is not associated with the matching of competitors' delivered prices and with the precise amount of freight absorption in predetermined forms and amounts that is needed to accomplish that result. I have no doubt that industries accustomed to such freight absorption would interpret the bill as legalizing that practice. But in permitting freight absorption to the full extent of the freight involved the way is opened for some price leader whose leadership is not followed to independently absorb freight to such an extent as to substantially undercut the recalcitrant follower and force him back into price observance. If I am correct in this analysis of the bill the old Standard Oil tactics of geographical discrimination through unsystematic freight absorption would find sanction in a Federal statute were the bill to be passed.

S. 1008 SETS UP DOUBLE STANDARDS

Section 3 of the bill is a hodgepodge of the two standards of "may be" and "will be." The justification proviso should be changed

from "will" to "may." As thus changed I would favor this portion of the bill, for it would merely ratify what the courts have said Congress meant by the present statute in the Standard Oil case. The objective test of injury is the only practicable way of determining good faith. Otherwise we might just as well substitute the words "with a pure heart" or "in good conscience," for that is how we would be interpreting good faith. We would be interpreting it as we would have to interpret the criminal provisions of section 3 of the Robinson-Patman Act (the Braham amendment). Needless to say, such an interpretation would kill the statute for all practical purposes, as Congress recognized when it amended the Clayton Act in 1936. The law of torts knows no such defense as subjective good faith.

DESIRE OF BUSINESS VERSUS PUBLIC INTEREST

In conclusion, many years ago a discerning friend observed to me that in the long run business always gets what it wants. Since then I have seen many instances where that has proved true. The present situation is a classic example. The force of my friend's observation is accentuated by the fact that men whose honesty of purpose and ability I have always admired, either in the Commission or in the Halls of Congress, apparently do not believe they are sacrificing any substantial public interest in giving business what it wants in this matter. While I cannot see it that way, I can only hope that time will prove me wrong if the bill is passed.

Time and my physical condition will not permit any more exhaustive presentation of my views at this time.

Very respectfully,

WALTER B. WOODEN.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

CALENDAR WEDNESDAY

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. Speaker, I wish to announce that the first order of business tomorrow will be the conference report on the second deficiency appropriation bill. After that the pay bill will be taken up.

At the conclusion of consideration of the pay bill, if sufficient time remains we will call up the bill H. R. 4963, for additional United States circuit and district judges.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman mean to say he is going to call up a third bill tomorrow?

Mr. MANSFIELD. Only if there is time.

Mr. MARTIN of Massachusetts. I may say that the Republicans hope to have a conference tomorrow. We want to do all the business that should be done, but if that judgeship bill could be deferred until Thursday it would probably meet our needs better.

Mr. MANSFIELD. I think I can assure the distinguished gentleman from Massachusetts that the bill H. R. 4963 to provide for additional United States

circuit and district judges will be held over until Thursday.

The rest of the program for this week will be announced on Thursday.

Mr. MARTIN of Massachusetts. We have no objection to working on Fridays and Saturdays if it will help get us out of here.

TREASURY-POST OFFICE APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report and statement on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. NO. 815)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) "making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14 and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 11, 12, 17, 18, 19, 29, 30, 39, 40, 41 and 50; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,150,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,020,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$35,150,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$15,660,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,925,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$76,250,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,400,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,255,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,490,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$907,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$302,600"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$440,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$98,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$556,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,800,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,780,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$629,000,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$33,250,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,625,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,300,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$393,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$31,000,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$128,750,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$650,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,300,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$17,200,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$51,500,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$52,800,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,150,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,205,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$25,775,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the word proposed by said amendment insert "forty"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, and 49.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
G. CANFIELD,

Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
HARLEY M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

TITLE I—TREASURY DEPARTMENT

Amendment No. 1: Appropriates \$750,000 for salaries in the Office of the Secretary, instead of \$700,000 as proposed by the House, and \$800,000, as proposed by the Senate.

Amendment No. 2: Appropriates \$1,150,000 for salaries in the Office of Administrative Services, instead of \$1,100,000 as proposed by the House, and \$1,200,000, as proposed by the Senate.

Amendment No. 3: Authorizes the expenditure of not to exceed \$1,020,000 for personal services in the District of Columbia under the Bureau of Customs, instead of \$1,000,000 as proposed by the House, and \$1,040,000, as proposed by the Senate.

Amendment No. 4: Appropriates \$35,150,000 for salaries and expenses of the Bureau of Customs, instead of \$35,000,000 as proposed by the House, and \$35,300,000, as proposed by the Senate.

Amendments Nos. 5, 6, and 7: Reported in disagreement.

Amendment No. 8: Appropriates \$1,610,000 for salaries and expenses of the Bureau of Narcotics, as proposed by the Senate, instead of \$1,560,000 as proposed by the House.

Amendment No. 9: Appropriates \$15,660,000 for salaries and expenses of the Bureau of Engraving and Printing, instead of \$15,000,000 as proposed by the House, and \$16,000,000 as proposed by the Senate.

Amendment No. 10: Appropriates \$1,925,000 for salaries and expenses of the Secret Service Division, instead of \$1,900,000, as proposed by the House, and \$1,950,000, as proposed by the Senate.

Amendments Nos. 11 and 12: Clarify the provision relating to handling proceeds from the sale of surplus property by the Bureau of Federal Supply, as proposed by the Senate.

Amendments Nos. 13 and 14: Strike out a proposal of the Senate for a trade-in program of typewriters which are eight or more years of age. Between now and the consideration of the next budget for the Bureau of Federal Supply the Committee on Appropriations of the House will have its investigative staff make a study of the utiliza-

tion and general situation with respect to purchase and repair of typewriters in the Government.

Amendment No. 15: Appropriates \$76,250,000 for pay and allowances of Coast Guard personnel, instead of \$74,500,000 as proposed by the House and \$77,445,000 as proposed by the Senate.

Amendment No. 16: Appropriates \$39,400,000 for general expenses of the Coast Guard, instead of \$39,225,000, as proposed by the House and \$39,988,000 as proposed by the Senate.

TITLE II—POST OFFICE DEPARTMENT

Departmental service

Amendment No. 17: Appropriates \$437,100 for salaries in the Office of the Postmaster General, as proposed by the Senate, instead of \$435,000 as proposed by the House.

Amendment No. 18: Appropriates \$132,300 for salaries in the Office of Budget and Administrative Planning as proposed by the Senate instead of \$125,000 as proposed by the House.

Amendment No. 19: Appropriates \$1,297,000 for salaries in the Office of the First Assistant Postmaster General as proposed by the Senate instead of \$1,290,000 as proposed by the House.

Amendment No. 20: Appropriates \$1,255,000 for salaries in the Office of the Second Assistant Postmaster General instead of \$1,250,000 as proposed by the House and \$1,261,000 as proposed by the Senate.

Amendment No. 21: Appropriates \$1,490,000 for salaries in the Office of the Third Assistant Postmaster General instead of \$1,485,000 as proposed by the House and \$1,519,000 as proposed by the Senate.

Amendment No. 22: Appropriates \$907,000 for salaries in the Office of the Fourth Assistant Postmaster General instead of \$900,000 as proposed by the House and \$927,000 as proposed by the Senate.

Amendment No. 23: Appropriates \$302,600 for salaries in the Office of the Solicitor instead of \$300,000 as proposed by the House and \$305,900 as proposed by the Senate.

Amendment No. 24: Appropriates \$440,000 for salaries in the Office of the Chief Inspector instead of \$435,000 as proposed by the House and \$446,900 as proposed by the Senate.

Amendment No. 25: Appropriates \$98,000 for salaries in the Office of the Purchasing Agent instead of \$95,000 as proposed by the House and \$101,400 as proposed by the Senate.

Amendment No. 26: Appropriates \$556,000 for salaries in the Bureau of Accounts instead of \$550,000 as proposed by the House and \$562,000 as proposed by the Senate.

Amendment No. 27: Appropriates \$2,800,000 for contingent expenses instead of \$2,700,000 as proposed by the House and \$2,865,000 as proposed by the Senate.

Field service

Amendment No. 28: Appropriates \$4,780,000 for salaries of inspectors instead of \$4,750,000 as proposed by the House and \$4,810,000 as proposed by the Senate.

Amendment No. 29: Appropriates \$958,000 for miscellaneous expenses, inspection service, as proposed by the Senate, instead of \$950,000 as proposed by the House.

Amendment No. 30: Appropriates \$1,333,000 for salaries of clerks in the inspection service as proposed by the Senate instead of \$1,325,000 as proposed by the House.

Amendment No. 31: Appropriates \$629,000,000 for clerks, first- and second-class offices instead of \$625,000,000 as proposed by the House and \$633,000,000 as proposed by the Senate.

Amendment No. 32: Appropriates \$33,250,000 for clerks, third-class offices instead of \$33,000,000 as proposed by the House and \$33,750,000 as proposed by the Senate.

Amendment No. 33: Appropriates \$4,625,000 for miscellaneous items, first- and second-class offices instead of \$4,500,000 as proposed by the House and \$4,843,000 as proposed by the Senate.

Amendment No. 34: Appropriates \$375,000 for village delivery service as proposed by the House instead of \$383,000 as proposed by the Senate.

Amendment No. 35: Appropriates \$3,300,000 for carfare and bicycle allowance instead of \$3,250,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

Amendment No. 36: Appropriates \$393,000,000 for city delivery carriers instead of \$392,000,000 as proposed by the House and \$394,500,000 as proposed by the Senate.

Amendment No. 37: Appropriates \$31,000,000 for star route service instead of \$30,000,000 as proposed by the House and \$33,475,000 as proposed by the Senate.

Amendment No. 38: Appropriates \$128,750,000 for salaries, railway mail service instead of \$128,500,000 as proposed by the House and \$129,500,000 as proposed by the Senate.

Amendment No. 39: Amends an appropriation title as proposed by the Senate.

Amendment No. 40: Adds clarifying language as proposed by the Senate.

Amendment No. 41: Appropriates \$8,150,000 for travel, railway mail service as proposed by the Senate instead of \$8,000,000 as proposed by the House.

Amendment No. 42: Appropriates \$650,000 for miscellaneous expenses, railway mail service instead of \$600,000 as proposed by the House and \$737,000 as proposed by the Senate.

Amendment No. 43: Appropriates \$11,300,000 for supplies and equipment instead of \$11,000,000 as proposed by the House and \$11,550,000 as proposed by the Senate.

Amendment No. 44: Appropriates \$17,200,000 for rent, fuel, and utility services instead of \$16,800,000 as proposed by the House and \$17,580,000 as proposed by the Senate.

Amendment No. 45: Appropriates \$51,500,000 for vehicle service instead of \$51,000,000 as proposed by the House and \$53,418,000 as proposed by the Senate.

Amendment No. 46: Appropriates \$52,800,000 for salaries, custodial service instead of \$52,300,000 as proposed by the House and \$53,600,000 as proposed by the Senate.

Amendment No. 47: Appropriates \$8,150,000 for supplies, public buildings instead of \$8,000,000 as proposed by the House and \$8,523,000 as proposed by the Senate.

Amendment No. 48: Appropriates \$1,205,000 for equipment, public buildings instead of \$1,125,000 as proposed by the House and \$1,250,000 as proposed by the Senate.

Amendment No. 49: Reported in disagreement.

Amendment No. 50: Corrects a section number.

RECONSTRUCTION FINANCE CORPORATION

Amendment No. 51: Authorizes the expenditure of not to exceed \$25,775,000 for administrative expenses instead of \$25,400,000 as proposed by the House and \$26,150,000 as proposed by the Senate.

Amendment No. 52: Allows for the purchase of not to exceed forty passenger motor vehicles instead of thirty as proposed by the House and fifty-five as proposed by the Senate.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

Amendments Nos. 5, 6, and 7, relating to the Bureau of Internal Revenue. The House managers will move to insist upon disagreement.

Amendment No. 49 requires that the Postmaster General shall make quarterly reports to the Senate and House Committees on

Appropriations relating to payments for overtime. The House managers will move to recede from disagreement and concur in the Senate amendment.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
G. CANFIELD,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. CASE of New Jersey. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a telegram which the Honorable Tracy S. Voorhees, Assistant Secretary of the Army, sent to the editor of Newsweek, correcting an erroneous quotation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

SPECIAL ORDER

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 10 minutes.

A SPECIAL ECONOMY SESSION OF CONGRESS NEEDED

Mr. MACK of Washington. Mr. Speaker, in the past 20 years the number of bureaus and commissions in our Federal Government has increased from 300 to 1,818. The number of employees on our Federal pay rolls has grown from 570,000 to almost 2,100,000. The salaries required to pay these Federal workers, in 20 years, has jumped from about \$1,000,000,000 to almost \$6,000,000,000 a year. The amount of money taken away from the people in Federal taxes has climbed from about \$4,000,000,000 in 1930 to more than \$44,000,000,000 in 1949.

During these 20 years Congress has held 24 regular and special sessions, every one of which increased Government spending and most of which imposed new and higher taxes on the people. It is now time that we hold one session of Congress devoted and dedicated entirely and exclusively to reducing Federal Government spending and to saving money for the American taxpayer.

I, therefore, urge my colleagues to hold, starting not later than September 1, a special economy session of the Congress that will be devoted solely to the consideration and adoption of such measures as will eliminate Government waste, promote Government economy, and tend to insure a balanced budget.

The decline in wholesale and retail sales which is now taking place, the present drop in farm prices and the increase, month after month, in the number of our unemployed should make it obvious to everyone that our Federal income next year will fall several billion dollars short of what it has been and below what is required to finance the Nation's present rate of spending.

This situation confronts the Congress with a dilemma that demands that we take one of three courses of action.

The Congress can do nothing, or little, and allow the present \$252,000,000,000

debt to mount higher and higher and thereby run the risk of ultimate national financial collapse.

The Congress can raise Federal taxes which already are so high that they take about 33 percent of the entire national income and so burdensome that they are destroying that initiative and incentive which are essential to the success of our free enterprise system.

Or, we can take a third course, that of cutting Federal spending to such an extent that our income will at least equal our outgo or perhaps be even enough to justify some payment on our national debt or to provide for some additional reduction in taxes.

The mere announcement by Congress of its intention to hold a special economy session, devoted entirely and exclusively to the consideration of ways to reduce Federal spending, in my opinion, will go a long way towards halting the present recession before it goes too far.

Politicians, for years, have talked about economy in government but unfortunately they have not done much about it. While they have talked of economy the costs of government have gone up, up, and up. As a result, most citizens have lost faith that Congress ever will do much about cutting Government spending. Announcement that it is our intention to hold a special economy session of Congress to cut Government costs will give businessmen, investors and the public renewed faith that our Federal finances are to be made strong and solvent. Optimism will replace pessimism. This optimism will tend to restore investments and purchases to that high level which is necessary for the maintenance of prosperity, full employment and the orderly retirement of the national debt.

The Hoover report recommendations on the reorganization of the executive departments of the Federal Government, if adopted by Congress, we are told, will save \$3,000,000,000 to \$5,000,000,000 annually. Such a saving, over a period of 50 years, would aggregate \$150,000,000,000 to \$250,000,000,000 or enough to almost wipe out the present colossal national debt.

If only the lower estimate of \$3,000,000,000 a year in savings is achieved, that will mean a saving of \$250,000,000 a month or almost \$9,000,000 a day.

The very possibility of such enormous savings should cause all to realize that time is of the essence and prompt Congress to make haste in adopting as many as possible of the Hoover report recommendations as soon as possible.

The sooner Congress gets at the job of reducing Government spending and the more thoroughly it does that job, the smaller will be next year's Federal deficit. The sooner Congress cuts Government waste, the quicker confidence will be restored and the quicker the present recession will be turned into recovery and the growing present unemployment changed to increasing employment.

It is encouraging to know that some of the Hoover report recommendations already are en route through Congress and that more of them, no doubt, will be enacted before adjournment of the present regular session.

The Hoover report recommendations, however, are so numerous and, in some instances, their adoption involves so much new legislation that many of the economies in government which are attainable cannot be brought about during the few remaining busy weeks of this regular session.

Only by an economy session of Congress, devoted exclusively and entirely to cutting the costs of government can we obtain those maximum economies which the present economic situation of our country demands and which, judging from my mail, most of our constituents desire.

Furthermore, the potential savings in Government costs which are obtainable are so enormous, running, as I have stated, to \$9,000,000 a day and \$250,000,000 a month, that they justify all of us putting all our time and all our efforts for several months to the one undertaking of eliminating Government waste and reducing Government spending.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 10 minutes.

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

HOW ABOUT A FAIR DEAL FOR AMERICAN FARMERS?

Mr. HORAN. Mr. Speaker, this week in the city of Des Moines, Iowa, the leaders of the Democratic Party are busily telling the farmers of America about a wonderful new farm program which will bring them all prosperity and still allow city dwellers to eat in luxury for practically nothing. It sounds pretty good. I wish them every success. Our American farmer is a mighty precious citizen.

But here in Washington, D. C., this week, the officials representing the same political party in the Interdepartmental Committee on International Trade Agreements are actually deciding the fate of thousands of hard-working, honest-to-goodness farmers who only want to make a decent living without threat of being bankrupted by foreign produce being dumped on our markets. Our national cherry production today is in grave danger of disaster, entirely due to the manipulations of tariff and import policies of the administration which claims to be the farmer's friend. It is time that we began to realize that, in the field of priorities, the American farmer is entitled to first call on the American market.

Every Congressman from fruit-producing States is being deluged with reports that this year's cherry crop will not be picked—it will rot on the trees—unless the Government will remove the sword of cheap Italian imports which hangs over the heads of cherry growers. Marketing is at a standstill; processors do not dare to buy or can American cherries because they do not know today whether there will be a market for them tomorrow. They are faced with a proposal to cut the tariff on brined cherries imported from Italy. Faced with such competition, American growers and

self as to whether or not to renovate the building as expressed herein, or to rebuild an Executive Mansion soundly and properly from the ground up.

Mr. McCORMACK. My purpose is to find out if there is going to be action. Assuming there are meetings of the Commission in the future; I, of course, recognize the position of the gentleman, but a Senator is just a coequal of any Member of the House. But suppose they are absent; are you going to make plans for a quorum?

Mr. RABAUT. Yes.

Mr. McCORMACK. I know the gentleman will, and so will the gentleman from Wisconsin [Mr. KEEFE]. But we are very much concerned and the President is very much concerned. Assuming that men are busy and cannot attend the meeting and there is a quorum present, will they go ahead?

Mr. RABAUT. We expect to have an executive director that will be on the job all the time.

Mr. McCORMACK. In other words, this courtesy that has existed will not be prevalent on this commission?

Mr. RABAUT. No; the first meeting was on the 3rd. The second meeting was today, and the next meeting is next Monday. I think that gives evidence of dispatch and the active interest of this committee.

Mr. STEFAN. Mr. Speaker, will the gentleman yield for a question?

Mr. RABAUT. I yield.

Mr. STEFAN. When I was a member of the Committee on Buildings and Grounds, we inspected the White House. We made it possible for an elevator to be placed in there. In view of the fact that the British came here and burned that White House and bombarded it in 1812, how is it that we just find out it is so dangerous?

Mr. RABAUT. Well, I found out the condition of the White House when I was appointed to this commission.

Mr. STEFAN. Well, we have had an architect down there since 1934 on the pay roll. Why could he not have found that out before this time?

Mr. CANNON. Mr. Speaker, I now yield to the gentleman from Wisconsin [Mr. KEEFE], the other member of the commission from the House of Representatives, such time as he may require.

Mr. KEEFE. Mr. Speaker, there is tremendous public interest displayed in the work of this White House Commission. The people of this country revere that building. It is the most historic building in the world today. Therefore the responsibility of dealing with it becomes a very grave one.

I may say to the distinguished majority leader and the Members that under no circumstances, of course, could this Commission function effectively until plans and specifications have been prepared in alternative form. I am advised that the Public Buildings Administration will be the beneficiary of the appropriation suggested in the amendment that the House has adopted this afternoon, \$5,400,000. They will draw the plans and specifications cooperating, I assume, with the Architect of the Capitol; and they will submit them to this Commission for

approval or ratification. The matter of rules for advertising for bids and the awarding of bids will be the function of this Commission. But let me tell you that while these things are more or less perfunctory in character they will require some profound decisions to be made. There is another problem in this whole situation that is attracting the attention of the Nation: What are we going to do with all of the material, the historic material that will be left, even a little block of wood from the White House, or a brick, or a stone? And who will have charge of its disposition? How shall that be handled? The Commission is giving serious consideration to all of these problems in the public interest.

May I say to you also that before this Commission was established and commenced to function, everything of a movable character in the White House was removed; the wall coverings have been taken off, all the furniture, all the bureaus, all the beds, and the bric-a-brac have been removed; and about the only things that have not been removed are one or two remaining fireplaces and the beautiful burl oak paneling in the West Room of the White House. That is going to come down ultimately, and all those beautiful plaster ceilings, and everything else. We are advised that those things are being taken down under the direction of the Architect of the Capitol and other agencies of the Government and that they are stored in various places, all these valuable woods, valuable doors, and other things that would be of inestimable value to those who are interested in antiques and in antiquity and history. These items have got to be carefully checked and looked after, and this Commission will demand that before it starts to function at all it shall have an itemized list of everything that was in the White House before it was removed and checked with the proper authorities, and an itemized list of everything that has been taken out so that in the future it cannot be said by somebody that he has a chair, a cup, a saucer, or something else that came from the White House, and have a lot of antique dealers and other people capitalizing and making money out of this situation. It presents a very difficult problem. There are even proposals now for the disposition of the surplus lumber, to cut it up into mementoes, and to sell the surplus brick and material around the country; and there are agencies of the Government that are seeking to dispose of this material. If you think it is a very simple job, I may say to the majority leader that there are a tremendous number of basic problems that have to be solved by this Commission, and we are at work on them. In order to do it we have got to have the right kind of architectural and engineering services and advice. We propose in our organizing efforts to set this Commission up in a manner in which it will function in the public interest.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. McCORMACK. I hope the gentleman realizes that my questions were

asked in an effort to be of help and assistance.

Mr. KEEFE. Let me say to the gentleman from Massachusetts that I am just as interested as he is in seeing that this matter moves along; and I have suggested to the Commission, suggested it at its very first meeting, that there must be rules and regulations adopted providing for quorums and all that sort of thing; and that is being done.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. KEEFE. I yield.

Mr. McCORMACK. The gentleman from Massachusetts is thoroughly aware of that fact, because the gentleman from Wisconsin talked with him several days ago. I am indebted to the gentleman from Wisconsin for the basis upon which I predicated my questions today.

Mr. KEEFE. We want to see this thing get along, but I may say to my colleagues that it is not the easy task which some people might think. It is a very difficult problem from an engineering and architectural standpoint that confronts those who have the responsibility. Until we see the plans and specifications that are suggested in order to comply with the former hard-and-fast rules expressed in Public Law 40 I do not see how the Commission could have hardly operated until the adoption of this amendment today.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. RICH. The Commission was appointed for the purpose of determining what should be done with the White House?

Mr. KEEFE. No; we were not appointed for that purpose at all. Public Law 40 determined that the White House should be remodeled. This Commission is designated as a commission for the remodeling of the White House. Then we get into the question, if you are going to completely take out the entire interior of the White House and rebuild it—that is what they proposed to do—leaving nothing but the four walls standing, then have to dig down 18 feet below the walls and put in footings to sustain the building so that you will have nothing left of the old White House except the four walls, with the interior completely removed and rebuilt on the first floor to simulate the White House as it previously existed, using such material as is usable, you would have a completely rebuilt White House on the interior with the exception of this thing they call the third floor.

I wish every Member of Congress could go down there and that every citizen could go down there and go through that White House as it appears today. I was shocked beyond all measure of expression, I am frank to say. It is an unsafe building, tremendously unsafe, and somebody has been guilty of dereliction over the years in the various modernization programs that have been conducted in allowing that building to get into such a state of disrepair and insecurity that exists at this time.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. KEOGH. Does the gentleman agree with me that the personnel of the Commission appointed to supervise this work is most capable and obviously anxious to do as good a job as possible?

Mr. KEEFE. Yes; and I am happy to say that the suggestion made by the chairman of the Appropriations Committee as to the intent of the amendment that has been offered to the deficiency bill this morning is an excellent one; otherwise the Commission is almost hamstrung in its power under Public Law 40 and could not really do much of anything. That is the fact of the matter.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. RICH. This Commission was appointed for the purpose of looking after this matter. As I understand it, an architect has been employed for the last 10 or 12 years, and has resided almost continuously at the White House. Why did he leave it in such a situation or condition as it is?

Mr. KEEFE. I cannot answer those questions and I do not want to get into that matter. That is all water over the dam. I can assure the Congress and the people of the country that this Commission is going at this thing in an intelligent manner. We are going to get proper architectural and engineering service and advice and we are going to build a building that will be a credit to the people of the United States and a place where the President and his family can live in safety. I think anything short of that would be criminal at this time.

Mr. CHESNEY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. CHESNEY. It was my pleasure to be a member of the subcommittee of the Committee on Public Buildings and Grounds. We visited the White House and had two conferences with the President. At that time he specifically stated he would like to have the building in its original state, keeping everything original in the building, that he did not want a new building at all.

Mr. KEEFE. That is very true, and it is an easy thing to say that you do not want any new building at all, that you just want to patch up here and there. That is what they have been doing for the last 100 years and that is why you have the building in the shape it is, may I say to the gentleman. We might as well realize and understand this situation now. We might as well lay all the cards on the table. Every plan that has been submitted by the Public Buildings Administration or the Architect of the Capitol contemplates an entirely new building inside the four walls.

Mr. CHESNEY. Then it is not the intention of the President to change the building whatsoever.

Mr. KEEFE. I am not saying anything about what the intention of the President is. I am saying what the Public Buildings Administration and the

Architect of the Capitol think is the proper thing to do now. It will be up to this commission to say what the thing shall be, and they certainly will consult with the President. May I say that I found the President, in the 30 minute conference we had with him the other day, to be magnificent in his attitude. He said that he requested the appointment of this commission, and he will be 100 percent for whatever determination this commission makes. No commission could ask for any better or more cooperative support than we received from the President.

Mr. EBERHARTER. Does the gentleman think that any commercial company would ever attempt to rebuild an old building that is in the shape that this is in?

Mr. KEEFE. I am not going to express any opinion on that. I must act in a judicial capacity in connection with the ultimate determination, and when the facts are assembled we will give them to you. Under the amendment this commission will be charged with the responsibility of determining what shall be done in the light of those facts.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 42, line 8, insert the following:

"INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

"The appropriations under this head in the Department of State Appropriation Act, 1949, shall be available for the purchase in the name of the United States of America, for a consideration not in excess of \$1,500, of a tract of land within lot 4 and the southwest quarter southeast quarter of section 28, township 8 south, range 24 west, Gila and Salt River meridian, Yuma County, Ariz., containing seven and eighty-two one-hundredths acres, more or less, needed for the east abutment of the Morelos Diversion Dam across the Colorado River, being constructed in accordance with article 12 of the treaty of February 3, 1944, between the United States and Mexico, the acquisition of which land by the United States is required by the provisions of article 23 of said treaty."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69: Page 45, line 14, insert the following:

"ACQUISITION OF VESSELS AND SHORE FACILITIES

"Not to exceed \$3,000,000 of the unobligated balance of funds heretofore appropriated under this head shall be available for conversion and repair of the icebreaker *Eastwind*."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 79: Page 77, line 9, insert the following:

"SEC. 402. The appropriations and authority with respect to appropriations in this act in whole or in part for the fiscal year 1949 shall be available from and including March 1, 1949, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between March 1, 1949, and the date of the enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof."

Mr. CANNON. Mr. Speaker, I move that the House recede and concur in the Senate amendment, and pending that motion, I yield to the gentleman from North Carolina [Mr. KERR], the chairman of the subcommittee.

Mr. KERR. Mr. Speaker, just a word of explanation in order that the House may better understand what is contained in the bill and the action of the conferees.

The total of the estimates considered by the House in connection with this bill is approximately \$698,028,000. The bill as passed the House contains a total of \$671,069,000.

Additional estimates received by the Senate on this bill totaled approximately \$217,396,000 which amount includes \$136,238,000 for veterans' pensions. Accordingly the total of the estimates considered by the Senate is \$915,924,000.

The bill as passed by the Senate contained increases over the House figure of \$193,261,891 or a total for the bill as passed the Senate of \$864,331,563.

The action of the conferees reduced this total by \$1,624,500 or to an amount of \$862,707,000.

In addition to this saving there are still four amendments in disagreement involving \$2,192,000.

I might point out that in addition to the amount of \$136,238,000 for veterans' pensions which I previously mentioned, the bill includes \$92,619,888 for pay increases under Public Law 900 and \$12,205,679 for claims or a total for these three uncontrollable items of \$241,063,567.

(Mr. KERR asked and was given permission to revise and extend his remarks.)

The SPEAKER. The question is on the motion offered by the gentleman from Missouri that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

(Mr. CANNON and Mr. RABAUT asked and were given permission to revise and extend their remarks.)

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes, and ask unanimous consent that the statement of the managers on the

part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 14, 1949.)

The conference report was agreed to.

The SPEAKER pro tempore (Mr. MONROE). The Clerk will report the first amendment in disagreement.

Mr. GARY. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 5, 6, and 7 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Senate amendment No. 5: On page 10, strike out all after the word "including" in line 21 down to and including "Columbia" in line 23 and insert "personal services in the District of Columbia, and elsewhere."

Senate amendment No. 6: On page 11, line 15, strike out "\$220,500,000" and insert "\$232,768,000."

Senate amendment No. 7: One page 11, after line 15, insert a colon and the following: "Provided, That the amount for personal services in the District of Columbia shall not exceed \$17,509,000."

Mr. GARY. Mr. Speaker, I move that the House insist upon its disagreement to the amendments of the Senate numbered 5, 6, and 7.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Do these amendments relate to the number of employees in the field service?

Mr. GARY. Yes.

Mr. McCORMACK. I understand that the difference between the two branches is between 1,500 additional employees, on the part of the House, and 7,000, on the part of the Senate.

Mr. GARY. That is correct.

Mr. McCORMACK. Can the gentleman give any information to the House that he can disclose properly as to what the situation is at the present time in relation to the differences that exist?

Mr. GARY. As the distinguished majority floor leader well knows, about 2 years ago the Congress made a large cut in the personnel of the Bureau of Internal Revenue. The present chairman of this subcommittee was then a minority member of the subcommittee and opposed the reduction at that time. Last year the Bureau of Internal Revenue asked for additional employees. Our committee recommended, and the House and Senate approved, approximately 2,000 additional employees for the Bureau for the fiscal year 1949. The Bureau of Internal Revenue now has approximately 50,000 employees.

This year they asked for 7,000 additional employees for the fiscal year 1950. That is approximately a 13-percent increase in the employees of the entire Bureau. The increase involves an ex-

penditure of approximately \$12,000,000. Our committee went into the matter very carefully and finally decided to recommend 1,500. When the matter was considered in conference, the Senate insisted on 7,000. The House conferees agreed, during the conference, to go as high as 2,500 employees for the next year.

We have several thoughts in connection with the matter. In the first place we do not believe that 7,000 efficient employees can be recruited in one year. We feel that, if the Bureau is understaffed, we ought to begin to increase the staff gradually so that the employment of personnel can be made on a selective basis in order to obtain the services of the better qualified applicants. In the second place, while it is unquestionably true that these men do bring in a substantial amount in taxes, sooner or later we are bound to reach a point of diminishing returns so far as the effectiveness of these employees is concerned. Therefore, we think that we should approach that point of diminishing return gradually and not at one swoop add 7,000 employees to the Bureau's personnel.

Mr. McCORMACK. As I understand the present situation, the question is between 1,500 and 7,000 employees. I assume there will be, as there has been, some effort at compromise, and the House conferees going in with an open mind will try to adjust the differences between the two branches in this respect.

Mr. GARY. Unquestionably.

Mr. McCORMACK. I assume that the gentlemen would be prepared to go higher than any figure discussed heretofore in conference.

Mr. GARY. Our committee agreed to go to 2,500, which they thought ought to be the maximum for next year.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. COOPER. Mr. Speaker, I certainly agree with the gentleman that we ought to effect all the economies that we can. I want to see such economies effected. But I invite attention to the fact that it is very doubtful whether the action recommended by the House conferees is really going to effect economy in this instance. Of course, the effect of the motion made by the gentleman is to put the matter back in conference so that the differences may be adjusted. I sincerely hope the House conferees will seriously consider agreeing to the provisions recommended by the other body or at least come as near as possible to it. It is my privilege, as the gentleman knows, to be a member of the Committee on Ways and Means. We have the responsibility primarily of trying to provide the revenue necessary to run the Government. It is likewise my privilege to be a member of the Joint Committee on Internal Revenue taxation. We had a special study made by an outside group of distinguished business and professional men. They recommended to the Joint Committee on Internal Revenue Taxation that the Bureau of Internal Revenue vitally needed additional personnel. I invite the attention of the gentleman to the fact that in 1940 there were

more than 8,000,000 income-tax returns filed in this country.

It is estimated that in 1949 there will be more than 73,000,000 income-tax returns filed. Consider the enormous increase in the volume of work, from around 8,000,000 returns in 1940 to more than 73,000,000 returns this year.

Further, I invite the gentleman's attention to the fact that in 1940 we had about 22,000 employees. Now we have only about 54,000. In other words, the increase in the volume of number of tax returns has increased more than 900 percent, and the increase in the number of employees to handle all those returns has only been about 140 percent.

Mr. McCORMACK. May I suggest that for every dollar in salary received they bring back on an average of \$20 to the Government.

Mr. COOPER. That is true. I also invite attention to the fact that with this item of \$12,000,000 difference that is involved here it is estimated we will receive about a half billion dollars additional revenue. Some competent authorities estimate that we might receive an additional \$2,000,000,000 of revenue. Now, when we are facing a deficit and a request is made for additional taxes, certainly you gentlemen ought to make every effort to see to it that we get all the taxes that are due the Government. I believe these additional employees are necessary to accomplish that purpose.

Mr. GARY. May I say to the gentleman from Tennessee [Mr. COOPER] that I have the very highest regard for his opinion of this subject. I know he has given very great study to our revenue system. I might say that I, too, have spent about 30 years of my life in the field of taxation. I had the privilege for some years of serving as the head of the Tax Department of the State of Virginia. I know how vital it is to have an adequate force to collect taxes. At the same time I believe that when you begin to recruit a force of this kind it should be done gradually. I reiterate, I do not believe that we could get 7,000 additional efficient men during the next year. What we would do, therefore, would be to load up the Department with a lot of inefficient men so that we would not obtain maximum results. Our policy has been—and we started it last year—to gradually increase the force. We provided for an increase of approximately 2,000 last year. We recommended 1,500 additional this year, and we feel that is a better approach to the problem than adding 7,000 in 1 year, which would amount to a 13-percent increase of the personnel of the entire Department.

Mr. COOPER. Will the gentleman yield further?

Mr. GARY. I yield.

Mr. COOPER. Certainly I agree with the gentleman that we want efficient employees, but I invite attention to the fact that the report of the Civil Service Commission shows that in the fourteen civil-service districts they have from 2 to 10 times the number of qualified people for these positions as to the number that are being requested by the Bureau of Internal Revenue. The people are available,

and the Civil Service Commission has qualified employees on its rolls now to provide from 2 to 10 times the number that the Bureau of Internal Revenue says it needs to do this work.

Mr. GARY. I have no doubt in the world the people are available. I think you would find thousands of them available, but whether they are qualified is another question, certainly among available men there should be some selectivity.

Mr. COOPER. In this group there are thousands of college graduates, many of them veterans, who have especially qualified in this particular field. I am sure the gentleman knows, as it is common knowledge, that in recent years there has been a great number of young men attracted to this field of endeavor, more than ever before. The Civil Service Commission report that they have the largest number of well-qualified people for this type of work that they have ever had at any time.

I further invite attention to the fact that even after they qualify under Civil Service and are eligible for these positions, then the Bureau of Internal Revenue, as the gentleman well knows, conducts a thorough schooling and course of training to qualify them especially for this type of work.

Mr. GARY. They have to be specially trained, and that is another reason; it is doubtful whether the Bureau can give as high-quality training to 7,000 in 1 year as they would be able to give to a smaller number in the same time.

Mr. McCORMACK. May I call my friend's attention to this large and important group of employees in Internal Revenue who are not zone deputy collectors but who are in classifications CAF-2, 3, 4, and 5. They have been promoted. They study for the position of zone deputy collector; they have taken the examination and passed; they have had experience over a number of years as permanent employees, and in that status they have passed the zone deputy collector's examination. Under civil-service laws they could be promoted, and certainly they will qualify. There must be quite a large number. I know that in the Boston office we have quite a large number who could go ahead.

Mr. COOPER. And we all know that some of them have been let out.

Mr. McCORMACK. Yes.

Mr. COOPER. Men who have had several years of successful experience and who have splendid efficiency ratings.

Mr. McCORMACK. Just one observation; the gentleman has answered my inquiry. I join with the gentleman from Tennessee, and I state the Speaker's position also, in the hope that when the bill goes back to conference and an adjustment is made that the adjustment of the differences will come as close to the number provided in the Senate bill as possible.

Mr. GARY. Mr. Speaker, I yield to my colleague, the gentleman from New Jersey [Mr. CANFIELD], a member of our committee.

Mr. CANFIELD. Mr. Speaker, I disagree with the observation just made by the majority leader; I think we have

gone far in agreeing to a compromise of 2,500 additional men. I am glad that the gentleman from Tennessee [Mr. COOPER], who is a member of the Joint Committee on Internal Revenue Taxation, has referred to the report that committee made to the Eightieth Congress, and I am going to quote from that report.

The Joint Committee on Internal Revenue Taxation in its report to the Eightieth Congress said:

Your committee recommends equal priority in action be given to reorganizing the management of the Bureau with a view to greater economy and efficiency, and to more effective utilization of enforcement expenditures. The present Bureau organization is not the one best suited to the task. There is too great an emphasis on protecting the revenue, too little on protecting the taxpayer.

The report goes on to say:

Even though the work load imposed by voluntary compliance cannot be lessened, substantial reductions in the cost of such service are entirely feasible, given time, talent, imagination, and the determination to discard obsolete procedures and controls no matter how venerable they have become. Almost every phase of this work can be reorganized and performed in a more economical fashion. The really substantial savings do not lie in a face-lifting patchwork job but in complete reorganization of the entire administrative machinery. The Bureau is still using prewar procedures which are unsuitable to the dimensions of its present job. Diffusion of responsibility characterizes the organization, making it awkward for the Commission to exercise effective management controls. The actual task of tax collection and enforcement is also inadequately coordinated in the field. The entire tone and atmosphere of the enforcement procedure need to be reconditioned—the point of view of many in the enforcement staff reoriented.

Mr. COOPER. The gentleman has not said a thing in the world about employees; that is what we are talking about.

Mr. CANFIELD. I am going to get to that.

Referring to problems of internal management the report goes on to say:

Analysis of the organization and operations of the Bureau of Internal Revenue reveal many unsolved problems of internal management. It is not strange that the Bureau has been slow in effecting substantial improvements in its housekeeping. Unnecessarily cumbersome, outmoded, and wasteful practices have continued unchanged in the Bureau for decades. Some proposed improvements in administrative methods have been discussed at length without result, other changes have been put into effect, but only after overlong discussion. Managementwise, the Bureau, because of lack of a balanced and adequate planning group, has not yet come to appreciate the tools that are necessary to administer effectively the present-day Federal tax system.

When the Bureau has carried out the recommendations contained in this report to improve its service, it will then be time for Congress to consider the additional personnel now requested. It would be extravagant for Congress to add thousands of employees to the Bureau pay roll before such action is taken.

On page 48 of the Senate hearings this year, Mr. Wiggins, former Under Secre-

tary of the Treasury, testified that on October 1, 1949 the Bureau will put into effect a new system of reports, saving 2,000,000 man-hours. Why cannot this saving in man-hours be diverted to enforcement work without additional appropriations at this time? Unless Congress insists, the savings in man-hours will never be converted to a dollar savings in any estimates submitted. The Bureau has hastened to request the additional personnel the surveys recommend. Why has not the Bureau been equally fast in making the management improvements recommended by the surveys?

It is also pertinent to point out that the argument that enforcement men bring in \$20 for every \$1 expended, is open to great question. Such figures never embrace overhead nor do they consider the large amount of refunds made as a result of faulty assessments. The agent, in other words, gets credit for the levy or additional assessment while the refund, if made, is never subtracted.

What kind of a job can the bureau do when it gets a jacking up on the part of Congress? In 1947 the bureau was drastically cut, yet in 1948 with fewer employees, it collected \$2,800,000,000 more than it did in the preceding year.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. May I say to the gentleman that we must give a lot of credit to the Under Secretary of the Treasury at that time, Mr. Wiggins, because he came before the Ways and Means Committee and he pleaded with us to help him get enough funds for modernization of the entire Bureau. His greatest plea, Mr. Speaker, was for more agents. He said that for every additional agent we put on we get an additional \$20. These agents are used for the purpose of checking up on suspected chiselers. They are not the regular collectors, they are not part of the regular office force or the zone collectors. They are the agents. Mr. Wiggins made such an impressive showing before our committee that Mr. Knutsen, then chairman of the committee, and I think every Republican member of the committee, was in the forefront urging this additional personnel.

Are we going to go back and do less than Mr. Wiggins requested? Mr. Wiggins has been largely responsible for the great improvement made in the internal management of the Bureau. We all knew it was a little outworn in its methods, that it was not modern, but we tried to help in every way we could to get this modernization that has helped save money. We assisted them in getting new, modern machinery. But, one of the most important things, the thing that brings in the additional money, the gravy, you might say, that the chiselers keep in their pockets, is the use of sufficient personnel to frighten these chiselers so that they will know not to take a chance on cheating the Federal Government, and thereby making the honest taxpayer pay more money in order to get sufficient revenue to keep us from oper-

ating at a deficit. Mr. Speaker, I think it is penny-wise and pound-foolish not to give the Revenue Bureau the agents that they say they need in order to have an honest enforcement of the revenue laws of this country.

Mr. CANFIELD. I am glad that the gentleman from Pennsylvania has referred to Mr. Wiggins, who told me, as chairman of the subcommittee, last year, that he could not possibly recruit the number of men recommended in the survey conducted by this committee. That is why the able gentleman from Virginia [Mr. GARY], has taken the position that he takes in the House today.

Mr. EBERHARTER. The gentleman from Tennessee has just stated the official figures of the Civil Service Commission show that there are plenty of qualified persons now to fill these positions.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Michigan.

Mr. DINGELL. Let us get this straight. There is no question of increase in personnel involved here at all. It is a question of restoration, and on that question I do not believe we will be able to restore what we have already partially destroyed, because too many of these efficient employees are today in business as tax experts on their own. But, we can bring back into the Treasury organization a certain substantial number of them. Now, when the gentleman refers to what Mr. Wiggins had in mind, I remember what Mr. Wiggins said on that score before the Committee on Ways and Means. He said that they were willing to give him more employees than he had asked for, more than he thought he could absorb in any one year, but that was more than the 7,000 who were cut off. But, he did not say that they could not absorb up to 7,000 or that it was less than they wanted. I want to make clear here and now that any number, even up to the full restoration of the 7,000—and I hold to that figure no less—that the Treasury will not put on inefficient, incompetent, or unqualified individuals to perform this very complex task any faster than they can absorb them. So, it resolves itself into this one thing: Do we want to, for the sake of a senseless paper economy, contrary to the intent and the wishes of the members of the Committee on Ways and Means, who have lived with this sort of problem, and the joint committee, the report of the experts of the joint committee, make this arbitrary cut stand and only partially restore it, when we know that for every dollar expended for employees' salaries in the restoration of this figure that there will be not \$20, there may be \$50, there may be \$100 coming into the Treasury? Now, you men and women sitting out there before me understand one thing. Are you going to get what belongs to your Uncle Sam, and abide by the seasoned opinion of members of the Committee on Ways and Means who have lived with this problem and do not just treat it as a matter of appropriation for an hour or two, or are you going

to face an increase in taxation on the legitimate taxpayer who is not a tax chiseler and tax evader? Remember that this group is intended to stop chiseling and collect the money honestly due your Government.

Mr. CANFIELD. Mr. Speaker, I do not know why the gentleman from Michigan uses the word "destructive" in talking of the action of this committee 2 years ago.

Mr. DINGELL. It certainly is not constructive.

Mr. CANFIELD. Because the Bureau was not destroyed. It came back next year and collected billions more than it collected the prior year.

Mr. DINGELL. In spite of the cut?

Mr. CANFIELD. In spite of the cut, yes.

I want to say this to the gentleman from Michigan, and I can point the finger, too. Conditions worsening, it will not be long before in the New York metropolitan area where I live there will be 1,000,000 unemployed. What are these men going to think of action on the part of this Congress putting thousands and thousands of men on the pay roll at this time? They are not going to stand for it.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. TABER. The reason they collected that money was that the action of the gentleman's committee put more efficiency in the organization.

Mr. CANFIELD. There is no question about it. The Commissioner of Internal Revenue, backed by the testimony of the Secretary of the Treasury, said that very thing when he appeared before the committee. We were thanked by the Treasury for helping the Bureau.

Mr. GARY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 49: Page 44, line 1, insert the following:

"SEC. 207. During the fiscal year 1950 the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work."

Mr. GARY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 238, Rept. No. 827),

which was referred to the House Calendar and ordered to be printed:

Whereas the Committee on the Judiciary under the Legislative Reorganization Act of 1946 has been given jurisdiction as a standing committee over legislation pertaining to immigration and naturalization; and

Whereas in the course of activities conducted in pursuance of section 136 of the Legislative Reorganization Act of 1946, and in the course of hearings held on legislation amending the Displaced Persons Act of 1948, it has been ascertained by the committee that the slowness of repatriation and resettlement of displaced persons, combined with the continuing influx of new refugees, tends to perpetuate this problem; and

Whereas the presence of over 10,000,000 refugees and "expellees" in the western zones of occupation in Germany and Austria, and in Italy, in addition to the problem of displaced persons and the surplus of population in Italy, is resulting in continuous pressure upon the very foundations of the United States immigration system; and

Whereas there is a considerable number of public and private legislation pending before the committee which tends to place upon the United States almost the entire burden of resettlement of this surplus population while the American taxpayer is already being called upon to bear the burden of the expenditures involved in the care, the maintenance, and the resettlement of these masses of migrant population; and

Whereas the International Refugee Organization is unable under its limited constitutional authority to provide for the solution of the problems above outlined; and

Whereas the above-outlined problems, in addition to considerable expense for the American taxpayer, involve a heavy burden for the devastated countries of Europe which the United States is assisting to rehabilitate, and a deterrent to a peaceful solution to Europe's economic, social, and racial difficulties; and

Whereas there is, therefore, an obvious need for a broad plan of international cooperation which would provide for a satisfactory solution of this emergency and for relieving the American economy of the expenditures involved: Now, therefore, be it

Resolved, That the Committee on the Judiciary, acting as a whole or by duly authorized subcommittee or subcommittees appointed by the chairman of the said Committee on the Judiciary, is authorized and directed to conduct such studies and investigations relating to matters coming within the purview of the preamble of this resolution as will be deemed appropriate by the committee.

Sec. 2. That upon the completion of such studies and investigations as provided for in section 1 of this resolution, but not later than within 6 months next following the effective date of this resolution, it shall be the duty of the committee to submit to the House of Representatives a report for appropriate legislative action with such recommendations as may be deemed desirable by the committee.

Sec. 3. That the Committee on the Judiciary, or any subcommittee or subcommittees thereof as designated by its chairman, may sit and act during the present Congress at such times and places within or without the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings and to conduct such investigations as it deems necessary.

Sec. 4. That in making such studies and investigations and in holding such hearings as provided for in section 3 of this resolution, the committee is authorized to include the services and travel of the requisite staff to accompany the committee or its subdivisions on such study missions, investigations, and hearings within the United States or abroad.

and to procure the advice and assistance of such officials of the Federal Government as deemed necessary by its chairman.

SEC. 5. That the expenses of conducting the studies, investigations, and hearings, including travel expenses and subsistence expenses, as incurred by the committee, or by its members, or by the members of its staff, not to exceed \$45,000, including expenditures for printing and binding, employment of experts and clerical assistants, shall be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

On page 4, strike out lines 1 through 9, inclusive.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. VINSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 108]

Barden	Granahan	Murdock
Barrett, Pa.	Hall,	Murphy
Bates, Ky.	Edwin Arthur	Murray, Tenn.
Blatnik	Hart	Norrell
Breen	Heffernan	O'Konski
Brehm	Heller	O'Sullivan
Buckley, N. Y.	Hoffman, Ill.	Patterson
Bulwinkle	Hollifield	Pfeifer,
Burke	Kee	Joseph L.
Burleson	Kennedy	Phillips, Calif.
Byrne, N. Y.	Kilburn	Poage
Case, S. Dak.	Kirwan	Powell
Christopher	Klein	Redden
Clevenger	LeCompte	Reed, Ill.
Cole, N. Y.	Lichtenwalter	Ribicoff
Coudert	Lodge	Smith, Ohio
Davenport	Lucas	Taylor
Davies, N. Y.	Lyle	Thomas, N. J.
Dawson	McMillen, Ill.	Werdel
Frazier	Macy	Wigglesworth
Fugate	Miller, Nebr.	Withrow
Gilmer	Morrison	
Gore	Morton	

The SPEAKER. On this roll call 362 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CAREER COMPENSATION ACT OF 1949

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5007) to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the reserve components thereof, the National Guard, and the Air National Guard, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H. R. 5007, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 4 on page 1 of the bill.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

(Mr. STEFAN asked and was given permission to revise and extend his remarks and include a petition.)

Mr. STEFAN. Mr. Chairman, a petition that I have just received from Reserve officers in the Norfolk, Nebr., area sets forth clearly the aspirations of these men respecting the legislation presently under consideration, also, their interest in other pending measures deemed by them to be in their appropriate interest. Accordingly, the petition is herewith incorporated in these remarks:

Hon. KARL STEFAN,
Member of Congress,
Washington, D. C.:

We Reserve officers in the Norfolk (Nebr.) area request your favorable consideration of H. R. 3039, amending the Reserve retirement law (sec. 302 (c) Public Law 810, 80th Cong.). We believe that many Reserve officers will be unjustly penalized in their retirement rights unless this amendment is passed. Although an attempt is being made to provide a large number of training assemblies to permit the reservists to earn the necessary 50 points before June 29, 1949, in order to have a year of satisfactory service for the fiscal year 1948-49, many of the Reserve officers in this area will not be able to complete them. Many of our officers will be unable to devote sufficient time, during this last month, to attend enough training assemblies to earn those points, either because of their civilian occupations and civic duties, or because they live many miles from Norfolk. If they had had sufficient notice they could have so budgeted their time and so arranged their affairs over a period of a year as to permit them to earn those points. This law, as passed, with the delay in disseminating the requirements, failed to give them that opportunity. The passage of H. R. 3039 would correct that injustice.

We also recommend the passage of H. R. 4570, the Reserve Training Facilities Act of 1949, now pending before the House Armed Services Subcommittee No. 3. We believe that an adequate training program for the Reserves can be provided only with training facilities, which this act provides.

We further recommend passage of H. R. 4591 to provide increased pay for officers of the armed services. As Reserve officers, we should like to see such a pay increase, and to receive the protection for injuries incurred when attending drills or when on active duty for periods of less than 30 days, which that bill provides. As citizens interested in the promotion of a strong national defense, we believe that such increase in pay is necessary to our national security, to induce high-caliber men to make the armed services their career.

We solicit your support of these measures in the House of Representatives.

Rev. Bethel N. Bengtson, Wausa, Nebr.; Dudley L. French, Glenn F. Zobel, Guy B. Stinson, Kenneth G. Turk, LeRoy R. Strasheim, Wayne W. Hilkemeir, Norfolk, Nebr.; Eugene M. Sire, Humphrey, Nebr.; Joseph J. Morris, Dr. Ora C. Schreiner, Fred R. Lammert, Wesley S. Hansing, Horace W. Gomon, Norfolk, Nebr.; Ranley W. Connell, Neligh, Nebr.; Jerry J. Brown, Norfolk, Nebr.; Robert L. Swanson, Stanton, Nebr.; Duane K. Peterson, Wausa, Nebr.; Richard W. Gillette, Robert E. Felt, Clayton L. Andrews, Thomas C. Campbell, Richard E. Nordhues, Dennis W.

Ballant, Darrel D. Dudley, Norfolk, Nebr.; John J. Adkins, Battle Creek, Nebr.; Wayne A. Jaeke, Clearwater, Nebr.; Elwin O'Neal, Creighton, Nebr.; A. L. Broberg, Newman Grove, Nebr.; Paul E. Imlander, Stanton, Nebr.; George Uhrenholdt, Clearwater, Nebr.; Albert R. Murdoch, Tilden, Nebr.; Benjamin F. Johnson, Wausa, Nebr.; Robert W. Adkins, Norfolk, Nebr.; Aage B. Petersen, Battle Creek, Nebr.; Chauncey B. Scott, Tilden, Nebr.; Floyd I. Foreman, Norfolk, Nebr.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

TITLE I—TABLE OF CONTENTS AND DEFINITIONS

SEC. 101. This act is divided into titles and sections according to the following table of contents:

TABLE OF CONTENTS

Title I—Table of contents and definitions

Sec. 101. Table of contents.

Sec. 102. Definitions.

Title II—Provisions relating to basic pay and special pays

Sec. 201. Basic pay.

Sec. 202. Service creditable in computation of basic pay.

Sec. 203. Special pay—Physicians and dentists.

Sec. 204. Incentive pay—Hazardous duty.

Sec. 205. Special pay—Diving duty.

Sec. 206. Special pay—Sea and foreign duty.

Sec. 207. Special pay—Reenlistment bonus.

Title III—Provisions relating to allowances

Sec. 301. Basic allowance for subsistence.

Sec. 302. Basic allowance for quarters.

Sec. 303. Travel and transportation allowances.

Sec. 304. Personal money allowance.

Title IV—Provisions relating to retirement, retirement pay, separation and severance pay for physical disability

Sec. 401. Establishment of a temporary disability retired list.

Sec. 402. Temporary disability retirement, physical disability retirement, and disability retirement pay.

Sec. 403. Separation and severance pay for physical disability.

Sec. 404. Periodic physical examinations.

Sec. 405. Recovery from physical disability.

Sec. 406. Termination of disability retirement pay.

Sec. 407. Reappointment to the active list of officers placed on the temporary disability retired list.

Sec. 408. Physical disability resulting from misconduct or willful neglect.

Sec. 409. Rank or grade in which retired.

Sec. 410. Cessation of benefits upon separation.

Sec. 411. Members or former members heretofore retired for physical disability.

Sec. 412. Definition of active service.

Sec. 413. Regulations.

Sec. 414. Powers, duties, and functions.

Title V—Miscellaneous provisions

Sec. 501. Training duty with or without pay of Reserve and National Guard personnel.

Sec. 502. Active service credit in Coast and Geodetic Survey.

Sec. 503. Payments based on purported marriages.

Sec. 504. Contract surgeons.

Sec. 505. Enlisted persons—Clothing allowance.

Sec. 506. Allowance—shore patrol duty.

Sec. 507. Pay and allowances—Enlisted men—Philippine Scouts—Insular Force of the Navy.

Sec. 508. Pay and allowances—Cadets and midshipmen.

Mr. THOMAS of Utah. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Brewster	Hoey	Millikin
Bridges	Holland	Morse
Butler	Humphrey	Mundt
Byrd	Hunt	Murray
Cain	Ives	Myers
Capehart	Jenner	Neely
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Sparkman
Downey	Knowland	Taft
Eastland	Langer	Taylor
Ferguson	Lodge	Thomas, Okla.
Flanders	Long	Thomas, Utah
Frear	Lucas	Thye
George	McCarran	Tobey
Gillette	McCarthy	Tydings
Graham	McClellan	Vandenberg
Green	McFarland	Watkins
Gurney	McKellar	Wherry
Hayden	McMahon	Young
Hendrickson	Malone	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senator from Vermont [Mr. AIKEN], to the amendment of the Senator from New York [Mr. IVES] to the so-called Thomas substitute.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1950—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit to the desk the conference report on House bill 3083, the Treasury and Post Office Departments appropriation bill for 1950, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, and 34.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 11, 12, 17, 18, 19, 29, 30, 39, 40, 41, and 50, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,150,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$1,020,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$35,150,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$15,660,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,925,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$76,250,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$39,400,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,255,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,490,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$907,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$302,600"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$440,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$98,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$556,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$2,800,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,780,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$629,000,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$33,250,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,625,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,300,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$393,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$31,000,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$128,750,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$650,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$11,300,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$17,200,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$51,500,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$52,800,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$8,150,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,205,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$25,775,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the word proposed by said amendment insert "forty"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 6, 7, and 49.

BURNET R. MAYBANK,
CARL HAYDEN,
HARLEY M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,
G. CANFIELD,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3083, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 15, 1949.

Resolved, That the House agrees to conference report to the bill (H. R. 3083) entitled "An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes";

That the House recede from its disagreement to the amendment of the Senate No. 49, and concur therein;

That the House insist upon its disagreement to the amendments of the Senate Nos. 5, 6, and 7 to said bill.

Mr. MAYBANK. Mr. President, I move that the Senate further insist upon its amendments numbered 5, 6 and 7. They relate to the Bureau of Internal Revenue, and provide an increase of \$12,268,000 over the House allowance of \$220,500,000 for operating expenses; also provide for removal of the over-all personal service limitation in order to allow

more flexibility in the employment of additional personnel and procurement of equipment. The House has insisted on its disagreement to these three amendments, contending, in the main, that there appears no sound justification for the additional employment of some 5,500 enforcement officers in the field and that the House allowance of some 1,500 additional positions is sufficient in light of the possibility of diminishing returns in fiscal year 1950.

The House further contends that great doubt exists as to the absorption into the service of the 5,500 additional front-line officers proposed by the Senate. In this connection, it must be remembered that the Senate's recommendation was that the funds for these additional employees provided for only 6 months' employment in the fiscal year 1950 and not for the full fiscal year. On that basis Treasury officials stated the 5,500 positions could be easily filled and substantial additional collections of many millions of dollars derived from work of these additional enforcement officers by July 1. In fact, it was testified that the additional enforcement personnel would collect annually, beginning fiscal year 1951, at least \$425,000,000 additional revenue.

There is no evidence of diminishing returns. The record clearly shows that for the first 3 months of 1949—January, February and March—there were filed 44,565,422 returns as against 40,891,370 for the same period in 1948. This is about a 10 percent increase in the current year over the prior year. The present front-line enforcement officers averaged per person additional revenue of \$52,708 for 1946, \$73,805 for 1947, \$89,271 for 1948, and for the first 7 months of fiscal year 1949, \$50,066.

Mr. President, it was the sense of the Senate conferees, it was the sense of the members of the subcommittee of the Senate Appropriations Committee, which had charge of the Treasury and Post Office Departments appropriation bill, and of the full Appropriations Committee, that with these additional front-line officers under the Bureau of Internal Revenue perhaps there might be collected for the United States about \$1,000,000,000 in taxes which are due, and have been due for the past few years.

The VICE PRESIDENT. The Senator from South Carolina [Mr. MAYBANK] has moved that the Senate further insist upon its amendments numbered 5, 6, and 7, and that the Chair appoint conferees on the part of the Senate.

Mr. GEORGE. Mr. President, I wish to say a few words on this matter. I believe Members of the Senate know that, generally speaking, I strongly favor economy in government. But I think it is false economy to deny the Treasury Department or the Bureau of Internal Revenue these additional tax agents, these additional field men, to collect taxes which are due and unpaid. I am confident that an adequate force in the Bureau would result in increasing the revenues of the Government during the next several years, but particularly the years immediately ahead of us, by one-half billion dollars.

I do not favor the theory that a tax agent can pay his own way. That seems

to me to be highly offensive, when it is analyzed. But I do believe that if we have an adequate force, returns of taxpayers can be adequately and carefully checked, with the resulting saving to the Treasury of many million dollars.

Mr. President, there is also another angle to the matter which is often overlooked. With an adequate force it will be found that many assessments are rather arbitrarily imposed, because with the running of the statute, as time elapses the agents are too often tempted to impose or to make an assessment of additional taxes with very inadequate bases for the assessment. That would not happen if an adequate force were available. If an opportunity were afforded to have the returns examined by competent men, arbitrary assessments would actually diminish numerically, but there would be an increase in collection of taxes which would very greatly aid and assist the Treasury at this time.

Then upon the basis of highest public morality, one man should not be required to pay a just tax, and to be subjected to a just tax under the laws of his country, while another man escapes, and escapes too often because he knows that the law-enforcement agencies of his Government have an inadequate force with which to audit the returns, and to make proper levies or assessments in cases where such levies should be made.

So I very much hope that the Senate will agree to the motion made by the distinguished chairman of the subcommittee of Committee on Appropriations, in order that the House may have the opportunity to grant this very reasonable increase in appropriations to take care of a very necessary and a very proper and a much-needed service at this time.

Mr. MILLIKIN. Mr. President, I wish to associate myself with what the distinguished chairman of the Finance Committee has just said. I believe that at the present time the staff of the Bureau of Internal Revenue devoted to the task of examining returns and reporting on them is grossly inadequate. I think that the odds in favor of the law violator are entirely too long in his favor as a result of that situation. I do not know how we can increase our revenues more readily than by increasing that staff. Therefore, I, too, express the earnest hope that the conferees will stand by the Senate version of the bill in that respect.

Mr. BYRD. Mr. President, I associate myself with the distinguished Senator from Georgia [Mr. GEORGE] in supporting the proposed increase in the number of auditors of the Bureau of Internal Revenue. It is very rarely that I rise to advocate an increased appropriation; but I believe that in this instance I am doing so in the interest of economy, because I am convinced that if we appoint a larger number of auditors we shall certainly get a greatly increased revenue.

As I understand, the Bureau of Internal Revenue asked for 10,000 additional auditors, and it has been given 1,500. The budget made provision for 7,000.

I have made some investigation of this question as a member of the Finance Committee. I am convinced that there are not a sufficient number of auditors to audit the income-tax returns, and that

the appointment of the additional number requested would bring revenue to the Government many times in excess of the cost. I therefore favor the position taken by the Appropriations Committee of the Senate.

Mr. SALTONSTALL. Mr. President, as one of the members of the minority party who sat as a member of the subcommittee which considered this subject, I hope the Senate will stand by its position. I join with other Senators who have spoken on this question, for two reasons.

First, in my opinion it will bring in greatly increased revenue to the Government.

Second, it is fair. It is fair to more people. It is not fair when people can escape taxes by refusing to sign the proper returns. It is not fair to the people who do sign the proper returns. I am confident that with 7,000 additional auditors, who must be trained before they can be put into service, the Treasury will receive greater revenue, and tax collections will be fairer to all taxpayers.

I join with the Senator from South Carolina and other Senators in the hope that the Senate will stand by its position.

Mr. WHERRY. Mr. President, I associate myself with the Senator from Massachusetts and the distinguished Senator from Virginia, whom I have just heard address the Senate relative to this appropriation. I am not a member of the subcommittee, but I am a member of the Committee on Appropriations. I believe that if we attempt to justify the various projects which come before us, this is one which certainly should be approved.

I join in stating that I feel the Senate ought to stand by its position; and I hope it will stand long enough so that the conference will accept this increase.

Mr. JOHNSON of Colorado. Mr. President, I desire to associate myself with my colleagues on the Senate Finance Committee in urging that the chairman be upheld in his contention that more auditors should be provided. All the arguments have been advanced. In the name of justice and fair dealing with the taxpayers, I think we must be able to audit the tax returns on a fair basis.

Mr. ROBERTSON. Mr. President, I am a member of the subcommittee which handled the Treasury appropriation bill, and I heard all the evidence presented on this particular issue. I was thoroughly convinced that it would be a good investment to increase the number of enforcement agents of the Bureau of Internal Revenue. We were told what a relatively small number of returns they had been able to examine. I shall not indicate how small the number was. We were convinced that payment of a large amount of taxes was being evaded, and that the taxes could be collected if a more adequate force were available.

So I hope the Senate will support the action of the Appropriations Committee and the vote which the Senate has already cast in behalf of this provision, and instruct the Senate conferees to insist upon our position, or at least upon a more reasonable compromise of the differences than has been heretofore accomplished.

Mr. BRIDGES. Mr. President, I agree with the position taken by the distinguished chairman of the subcommittee [Mr. MAYBANK] on this subject. The Senate knows that I am for economy everywhere it can be practiced. This is about the only instance I know of in connection with appropriation bills in which I see any excuse whatsoever for putting on additional help. In practically every other department or bureau I think appropriations can be cut and the department operated with efficiency. But I believe that in fairness to those who honestly pay their taxes the Bureau of Internal Revenue should be fortified with sufficient assistance to do an adequate job. That is the position of the subcommittee, the Appropriations Committee, and the Senate; and I think that position should be sustained.

Mr. JOHNSTON of South Carolina. Mr. President, having served on the subcommittee of the Committee on Appropriations, and also on the free conference committee, and having heard the testimony which was given before the subcommittee, I am thoroughly convinced that the proposed increase in the number of internal-revenue collectors will add materially to the amount of revenue collected.

I for one believe that this would equalize the payment of taxes. If we let some evade paying their just amount of taxes, someone else will have to pay that amount. It will be the man who is now paying. It will not be the man who is now evading taxation, for probably he will try to evade in the future also.

For that reason I believe that this additional appropriation would result in bringing many millions of dollars of additional revenue in the Treasury of the United States.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina [Mr. MAYBANK].

Mr. HAYDEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CORDON. Mr. President, I am happy that we are to have the yeas and nays on this motion. As the ranking member of the subcommittee on Treasury-Post Office appropriations of the Appropriations Committee at this time; as one who served for 2 years as chairman of that subcommittee and who has gone into this question for three successive years, I believe as carefully as any question of that kind has ever been investigated; and as one who has served on three conference committees in which this question has been one of the sharp questions before the conference, I am convinced that the interest of economy would be advanced by increasing the collection force of the Bureau of Internal Revenue. I know that common justice would be served to a great extent than it could be served if there were not adequate investigative and collection forces available in connection with our internal revenue collections.

At various times during the past 3 years we have had before us a carefully prepared list showing the production in collections resulting from the increased force in the Bureau of Internal Revenue.

There can be no question in the world as to the return to the Government in dollars from this additional expenditure for personnel. Furthermore, there will be a greater voluntary payment of taxes when the reluctant taxpayer realizes the advantages of voluntary payment, as opposed to the penalties of payment under coercion.

Before the vote is taken, I believe it might be well for us to examine the objections which are raised in the House of Representatives to the requested increase. The chief objection we have heard, and the one we heard in conference, is that a moderate increase, which was fixed at 1,500 by the end of the current year, was justified, but that any increase above that was not justified, the argument being that it was impossible to recruit more than that number of trained personnel within that period. That argument was made last year and also the year before. It had more force then than it has now. I undertake to say that at the present time more men trained in accountancy and in internal tax matters are available for employment than have been available at any previous time since prior to World War II. Likewise there are now more persons to whom the salary is attractive than there previously have been. I believe that the argument in opposition has so much less strength now than it had in times of high employment that the argument for making an increase to the extent requested is far stronger than it has previously been at any time.

To my mind, the sound thing for the Government to do, the sound thing for the people of the United States to do, and the only thing the Members of Congress can do in carrying out their oath of office is to furnish the Bureau of Internal Revenue with the greatest possible strength which can be provided, so that it can do the job which Congress has imposed upon it.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. ROBERTSON. Is it not also true that if we postpone for another year this enforcement program, the statute of limitations will have run against a considerable number of potential claims which the Treasury Department might otherwise have been able to assert?

Mr. CORDON. Yes. Every year the number of outlawed claims becomes greater, and that is a particular dangerous situation now, because we are at the far end of the period of the statute of limitations in the case of the swollen incomes accumulated during the war period. Either we shall get the taxes on them now, or we shall never get them.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. LANGER. How are the 7,000 appointees proposed to be allocated? Can they be sent anywhere the Bureau desires to send them?

Mr. CORDON. They are allocated, in the discretion of the Bureau, to the areas where the returns indicate there is the greatest need for careful checking. Of course the greatest number will naturally go to the areas where there was the

greatest rise in incomes during the war period.

Mr. LUCAS. Mr. President, this is a very pleasant and exhilarating experience through which I am going at the moment, and I wish to congratulate all my Democratic and Republican brethren for interesting themselves in such a righteous cause. I am sure the conferees on the part of the House will be much impressed with the amendments which we have proposed to this important bill.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Carolina that the Senate further insist upon its amendments Nos. 5, 6, and 7, request a further conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America, to the Second World Health Organization Assembly meeting at Rome, Italy.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Washington [Mr. MAGNUSON] are absent on official committee business.

The Senator from Rhode Island [Mr. MCGRATH] is absent on official business.

The Senator from Idaho [Mr. MILLER] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent on official business, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from Wyoming [Mr. O'MAHONEY] is absent on public business. The Senator from Mississippi [Mr. STENNIS] is absent because of illness.

If present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Idaho [Mr. MILLER], the Senator from Maryland [Mr. O'CONOR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. WHERRY. I announce that the Senator from Montana [Mr. ECTON], the Senator from Missouri [Mr. KEM], and the Senator from Missouri [Mr. WILEY] are absent on official business. If present and voting, the Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent. If present and voting, the Senator from Massachusetts would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "yea."

The Senator from Connecticut [Mr. BALDWIN], the Senator from Ohio [Mr. BRICKER], the Senator from Kansas [Mr.

REED], and the Senator from Delaware [Mr. WILLIAMS] are detained on official business. If present and voting, the Senator from Kansas [Mr. REED] would vote "yea."

The result was announced—yeas 77, nays 0, as follows:

YEAS—77

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Brewster	Hoey	Millikin
Bridges	Holland	Morse
Butler	Humphrey	Mundt
Byrd	Hunt	Murray
Cain	Ives	Myers
Capehart	Jenner	Neely
Chapman	Johnson, Colo.	Pepper
Chavez	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Russell
Cordon	Kefauver	Schoeppel
Donnell	Kerr	Smith, Maine
Douglas	Kilgore	Sparkman
Downey	Knowland	Taft
Eastland	Langer	Taylor
Ferguson	Lodge	Thomas, Okla.
Flanders	Long	Thomas, Utah
Frear	Lucas	Thye
George	McCarran	Tobey
Gillette	McCarthy	Tydings
Graham	McClellan	Vandenberg
Green	McFarland	Watkins
Gurney	McKellar	Wherry
Hayden	McMahon	Young
Hendrickson	Malone	

NOT VOTING—19

Baldwin	Magnuson	Stennis
Bricker	Miller	Wagner
Ecton	O'Connor	Wiley
Ellender	O'Mahoney	Williams
Fulbright	Reed	Withers
Kem	Saltonstall	
McGrath	Smith, N. J.	

The VICE PRESIDENT. The motion is unanimously agreed to; and the Chair appoints the Senator from South Carolina [Mr. MAYBANK], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. KILGORE], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oregon [Mr. CORDON], the Senator from Kansas [Mr. REED], and the Senator from New Hampshire [Mr. BRIDGES] the conferees on the part of the Senate at the further conference.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 41. An act for the relief of the city of Reno, Nev.;

S. 646. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion;

S. 647. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary;

S. 676. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion; and

S. 1089. An act to amend section 8c of the Agricultural Adjustment Act, relating to marketing agreements and orders, to authorize the Secretary of Agriculture to issue orders under such section with respect to filberts and almonds.

REPEAL OF OBSOLETE PROVISIONS OF LAW RELATING TO THE NAVAL SERVICE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1794) entitled "An act to repeal certain obsolete

provisions of law relating to the naval service," to strike out all after the enacting clause and insert:

That, the following acts and parts of acts are hereby repealed:

Section 434, Revised Statutes.

That portion of the first sentence of section 436, Revised Statutes, which reads as follows: "or professor of mathematics"; and the second sentence of said section, which reads as follows: "Such officer or professor, when so employed, shall be entitled to receive the shore-duty pay of his grade, and no other."

Section 1367, Revised Statutes.

Section 1381, Revised Statutes.

Section 1401, Revised Statutes.

Section 1402, Revised Statutes.

Section 1403, Revised Statutes.

Section 1404, Revised Statutes.

Section 1408, Revised Statutes.

Section 1409, Revised Statutes.

Section 1417, Revised Statutes, as amended.

Section 1435, Revised Statutes.

Section 1480, Revised Statutes, as amended.

Section 1537, Revised Statutes.

Section 1538, Revised Statutes.

Section 1539, Revised Statutes.

Section 1564, Revised Statutes.

Section 1600, Revised Statutes.

Section 4750, Revised Statutes.

Section 4752, Revised Statutes.

Section 4753, Revised Statutes.

Section 4754, Revised Statutes.

Section 4755, Revised Statutes.

Paragraph 22 of the act of September 28, 1850, which is the fourth full paragraph on page 515, volume 9, Statutes at Large, and which reads as follows:

"And the pay of the superintendent of the naval school at Annapolis shall be at the rate allowed to an officer of his rank, when in service at sea."

Joint Resolution No. 25 of March 3, 1863 (12 Stat. 825).

Paragraph 6 of the act of May 4, 1878, which is the second full paragraph on page 50, volume 20, Statutes at Large, and which reads as follows:

"That on and after the 1st day of July, 1878, there shall be no appointments made from civil life of secretaries or clerks to the admiral, or vice admiral, when on sea service, commanders of squadrons, or of clerks to commanders of vessels; and an officer not above the grade of lieutenant shall be detailed to perform the duties of secretary to the admiral or vice admiral, when on sea service, and one not above the grade of master to perform the duties of clerk to a rear admiral, or commander, and one not above the grade of ensign to perform the duties of clerk to a captain, commander, or lieutenant commander when afloat: *Provided*, That the secretaries and clerks in service on the 1st day of July, 1878, on vessels abroad, shall continue as such until such vessel shall return to the United States on the termination of its cruise."

So much of the fifth paragraph of the act of March 3, 1883, as it appears on page 473, volume 22, Statutes at Large, and which reads as follows: "And all officers of the Navy shall be credited with the actual time they may have served as officers or enlisted men in the regular or volunteer Army or Navy, or both, and shall receive all the benefits of such actual service in all respects in the same manner as if all said service had been continuous and in the regular Navy in the lowest grade having graduated pay held by such officer since last entering the service: *Provided*, That nothing in this clause shall be so construed as to authorize any change in the dates of commission or in the relative rank of such officer: *Provided further*, That nothing herein contained shall be so construed as to give any additional pay to any such officer during the time of his service in the volunteer Army or Navy."

House of Representatives

THURSDAY, JUNE 23, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Master, Thou who hast glorified all that is of earth and sea and sky, to Thee we offer our tribute of praise. On Thee we base our comfort and our hope, and rejoice that our faith is not in vain.

In the discipline of life, which is so often severe, give us strength to be patient and tolerant, comforted in the truth that we are guarded and sheltered in the folds of divine care. Thou who weighest the motives of men, make every weakness a strength and every hindrance an inspiration. Clothe us with that high integrity of purpose that shall be a spiritual reserve sufficient to bear all strain, and that shall give patriotic incentive to our fellow citizens everywhere. In Thy holy name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 20, 1949:

H. R. 2361. An act to provide for the reorganization of Government agencies, and for other purposes; and

H. R. 2663. An act to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

On June 21, 1949:

H. R. 1337. An act to authorize the sale of certain public lands in Alaska to the Alaska Council of Boy Scouts of America for recreation and other public purposes; and

H. R. 3754. An act providing for the temporary deferment in certain unavoidable contingencies of annual assessment work on mining claims held by location in the United States, and enlarging the liability for damages caused to stock raising and other homesteads by mining activities.

On June 22, 1949:

H. R. 5060. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes.

On June 23, 1949:

H. R. 4046. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD in two instances and include arti-

cles written by one of his constituents and a newspaper editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REFUND ON VETERANS' INSURANCE

Mr. KEATING. Mr. Speaker, every day the newspapers and radio carry reports of increasing unemployment. Every Member of Congress knows that there are millions of people without jobs today.

The unemployment situation is seriously affecting the Nation's economic condition. The Government, through the Veterans' Administration, is in a position to do something about this situation. The Veterans' Administration has \$2,800,000,000 which belongs to some 16,000,000 veterans of the last war.

The immediate distribution of this great sum of money to the veterans certainly would have some effect on the economic picture and would be a factor in stemming the tide.

Numbered among the 16,000,000 veterans who were overcharged in their insurance rates by the Government are thousands who are now out of work. They could readily use the money which is rightfully theirs. But the Veterans' Administration says refunding of their money will not begin until January of next year. They say it is a big job to mail out these checks. Sure it is a big job, but the Veterans' Administration knew as long ago as June 1948 that these refunds would have to be made. Why the wait until 1950, which happens to be a congressional election year?

The veterans should receive their refunds as soon as possible, certainly by October of this year.

Three billions of dollars unloosed for spending by those who are rightfully and legally entitled to it not only would help the jobless veteran of today but would help the manufacturer, the producer, and their employees.

Give the veterans back their overcharge on insurance now and not wait for an election year.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances; in one to include a newspaper article.

Mr. BUCHANAN asked and was given permission to extend the remarks he will make in Committee of the Whole and include a statement from the mayors of various cities and a petition from the American Municipal Association.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial published in the Buffalo Evening News of June 13.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

ARMING EUROPE

Mr. RICH. Mr. Speaker, picking up the New York Times and other papers this morning, I note that Secretary Acheson wants this country now, in order to preserve peace, to spend \$1,130,000,000 to arm all of the countries of Europe that join the North Atlantic Pact.

I do not know of anything more ridiculous than to think that in order to get peace now we have to go out and arm all the nations of the world with the idea that we are going to teach them something about peace. Whenever you get a man ready to fight he generally fights. When you get a nation armed to the teeth, it is going to use that, and that means war. If that is the way to peace, then I do not know anything about it.

I am sorry that this country is going to be asked by our Secretary of State to spend \$1,130,000,000 to arm these foreign countries. It just seems to me like there is something wrong in our State Department.

Why get all the implements of war, furnish them to other countries and then say to them they are implements—guns, tanks, bombs—of peace. Why, they will say that is just silly, why, the Americans say that a cannon is an implement of peace, then they will ask that psychiatrists be sent over to America to examine everyone who votes to spend \$1,130,000,000 for war implements for them. I think they would be right. We need peace, we want peace, let's talk peace, let's use our influence for peace; that is the only way to get it and keep it. Peace be with us always, is my vote and my prayer.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. Boggs]?

There was no objection.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. BOGGS of Delaware. Mr. Speaker, many of my friends and distinguished colleagues, the gentleman from New York [Mr. KEATING], the gentleman from Wisconsin [Mr. DAVIS], along with many other able Members of this House are certainly working for the prompt repayment of the excess premiums paid on national service life insurance by our veterans.

I want to urge the prompt repayment of these excess premiums, and I want to join with the other members who are working so hard to return to the veterans something which is theirs and which they have every right to have at this time.

We hear a great deal about this recession and the fact that it will be only of short duration. If this is so, then it is all the more appropriate that these repayments should be made without delay. I have looked over the situation and I cannot find any plausible explanation for this continuing delay after delay.

The SPEAKER. The time of the gentleman from Delaware [Mr. Boggs] has expired.

SUBCOMMITTEE ON HEALTH SCIENCE AND COMMERCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health, Science, and Commerce of the Committee on Interstate and Foreign Commerce may be allowed to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. RANKIN. Mr. Speaker, again we have heard the gentleman from New York [Mr. KEATING] attacking the Veterans' Administration for doing its duty.

I explained yesterday what the Assistant Administrator told us about it. If the gentleman from New York [Mr. KEATING] can do this work overnight, I suggest that he take his office force and go down to the Veterans' Administration and do it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RICH. If the gentleman from New York [Mr. KEATING] takes his office force and I take mine and we go down there we could do something and get those checks out.

Mr. RANKIN. Yes; and you will be there till Christmas. They have employed 1,700 extra people to work out these accounts. They will need 1,300 more. They are going to get them out

by the first of the year, but to get up here and pretend that this is a political question is nonsense. Nobody ever heard of its being a political question until the gentleman from New York [Mr. KEATING] announced that it was a political question.

How much politics has he played?

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

CALL OF THE HOUSE

Mr. MCGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. CHELF. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Allen, Calif.	Hart	Polk
Breen	Hinshaw	Poulson
Buckley, N. Y.	Hoffman, Ill.	Powell
Bulwinkle	Hoffman, Mich.	Rivers
Case, S. Dak.	Holifield	Roosevelt
Cavalcante	Irving	Scott,
Clevenger	Jackson, Calif.	Hugh D., Jr.
Cole, N. Y.	Kearney	Shafer
Combs	Kee	Short
Crawford	Larcade	Taber
Crosser	Lichtenwalter	Thomas, N. J.
Cunningham	Lodge	Toye
Doyle	McMillen, Ill.	Walsh
Durham	Macy	Werdel
Elston	Miller, Nebr.	Whitaker
Gilmer	Morrison	White, Idaho
Granger	Murphy	Withrow
Hall,	Passman	
Edwin Arthur Pfeifer,		
Hall,	Joseph L.	
Leonard W. Plumley		

The SPEAKER. On this roll call, 375 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

THIRD DEFICIENCY APPROPRIATION BILL

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 5300, Rept. No. 879), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, BURNSIDE, RIEHLMAN, and HARDY.

TREASURY-POST OFFICE APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments, further disagree to the amendments of the Senate and agree to a further conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. GARY, FERNANDEZ, PASSMAN, CANNON, CANFIELD, and COUDERT.

LEE F. BERTUCCIOLI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 750) for the relief of Lee F. Bertuccioli, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the first category of section 3 of the Immigration Act of 1917, as amended, shall not hereafter be applicable to Lee F. Bertuccioli, Farnborough, Kent, England, who served in the armed forces of the United States in World War II under the name of Lee F. Johnson, and who, because of a physical disability arising out of such service, is unable to obtain an immigration visa for admission into the United States."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CELESTE IRIS MAEDA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3458) for the relief of Celeste Iris Maeda, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Celeste Iris Maeda, the Japanese fiancée of Stanley Arasim, Jr., an honorably discharged veteran of World War II, and that Celeste Iris Maeda may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Celeste Iris Maeda is coming to the United States with a bona fide intention of being married to said Stanley Arasim, Jr., and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Celeste Iris Maeda, she shall be required to depart from the United States and upon failure to do so shall be deported in ac-

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, 1950

JUNE 29, 1949.—Ordered to be printed

Mr. GARY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3083]

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7 and agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$226,300,000; and the Senate agree to the same.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,

Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. McCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 5, relating to salaries and expenses of the Bureau of Internal Revenue:

Deletes the limitation on personal services as proposed by the Senate.

Amendment No. 6: Appropriates \$226,300,000 for salaries and expenses of the Bureau of Internal Revenue.

It is the direction of the conference committee that the Bureau of Internal Revenue shall increase its field enforcement groups by not more than 4,250 employees at the end of the fiscal year 1950.

Amendment No. 7: Provides a limitation on personal services for the Bureau of Internal Revenue in the District of Columbia of not to exceed \$17,509,000, as proposed by the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,

Managers on the Part of the House.

ments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; and

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

The message also announced that the Senate had adopted the following resolution (S. Res. 130):

Resolved, That when the Senate recesses or adjourns on Friday, July 1, 1949, it be until Tuesday, July 5, 1949; and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

Resolved, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

Resolved, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) entitled "An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes."

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATIONS AND FUNDS FOR EXPORT-IMPORT BANK AND RECONSTRUCTION FINANCE CORPORATION, 1950

Mr. GARY submitted the following conference report and statement on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 948)

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3083) "making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7 and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert: "\$226,300,000"; and the Senate agree to the same.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,

Managers on the Part of the House.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the conference report as to each of such amendments, namely:

Amendment No. 5, relating to salaries and expenses of the Bureau of Internal Revenue: Deletes the limitation on personal services as proposed by the Senate.

Amendment No. 6, appropriates \$226,300,000 for salaries and expenses of the Bureau of Internal Revenue.

It is the direction of the conference committee that the Bureau of Internal Revenue shall increase its field enforcement groups by not more than 4,250 employees at the end of the fiscal year 1950.

Amendment No. 7: Provides a limitation on personal services for the Bureau of Internal Revenue in the District of Columbia of not to exceed \$17,509,000, as proposed by the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,

Managers on the Part of the House.

Mr. GARY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1950, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GARY. Mr. Speaker, this report covers three amendments which are still in disagreement between the House and the Senate.

If you will recall, the House and the Senate recently adopted a conference report agreeing to all amendments except

these three. The main question at issue in these amendments was the number of additional employees that would be placed on the rolls of the Bureau of Internal Revenue for the fiscal year 1950. The budget requested 7,000 employees for the next fiscal year. The House allowed 1,500. The Senate approved the entire 7,000. In this report we have split the difference between the Senate and the House, and the conferees recommend 4,250.

The total appropriations allowed in the House bill for this purpose was \$220,500,000. The Senate bill increased this amount to \$232,768,000. The conference report allows \$226,300,000, which is \$5,800,000 above the House bill and \$6,468,000 below the Senate bill.

The grand total of appropriations in the Treasury-Post Office bill, as now agreed upon, is \$3,090,528,903.93, of which \$2,054,210,500 is for the Post Office Department and \$1,036,318,403.93 is for the Treasury Department's operations.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield to me?

Mr. GARY. I shall be very glad to yield to the distinguished gentleman from New Jersey, the ranking minority member of the committee.

Mr. CANFIELD. Mr. Speaker, I did not sign the conference report nor did my colleague the gentleman from New York [Mr. COUDERT].

It is interesting to note the almost feverish efforts in both bodies to get Members signed up to support a resolution requiring the President to cut all appropriation bills 5 percent or more in order to avoid deficit financing or new tax bills. I believe 61 in the other body are already on record.

We are asking the President to do a job we should have done and it is going to be a troublesome precedent although at the moment there seems to be no other way out.

Here now, in this agreement, we permit the hiring of thousands of additional Federal workers, most of them to go on the rolls in 1950.

I know that my distinguished and able chairman, Mr. GARY, is sincerely interested in real economy and he fought the Senate conferees. He was accorded little help from his side.

While the Bureau of Internal Revenue can profitably use some additional men after reorienting itself and making improvements at headquarters and in the field, the case for the number herein granted has not been established.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. PHILLIPS of California. As one member of the Committee on Appropriations, which felt when this bill went over that 1,500 people was adequate, I would like something more than just the statement that "We split the difference with the Senate." I would like some justification for the fact that we are adding half of the 5,500—2,250—people on nothing but just a split with the Senate, because I believe the gentleman from New Jersey is absolutely right.

A few moments ago I was asked to sign a resolution asking the President to do our work for us, to cut all the appropriations 5 percent; and I refused, Mr. Speaker, to sign that resolution. Here we come in a few moments later, however, and say we will put on 4,250 men for no reason other than that we just split with the Senate. I would like an explanation.

Mr. CANFIELD. Let me say to the gentleman from California and in all fairness to the chairman of the subcommittee, the gentleman from Virginia [Mr. GARY] that they took a vote in the other body, and the vote was 75 to nothing for 7,000 additional employees.

Mr. PHILLIPS of California. I guess that is the explanation.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. CASE of South Dakota. I wish to commend the gentleman from New Jersey for not signing this report, and also for calling attention to the fact that this device of passing the buck to the President to make reductions is bad practice and should be resorted to only as a last resort.

The Congress has long prided itself upon the fact that it had the control of the purse, and the House of Representatives has long prided itself on the fact that appropriations originated in the House of Representatives.

If another body of Congress refuses, when these bills go before it, to do the job of economizing that it should do and raises the bills the House has cut and then asks the executive branch of the Government to take over the job of reducing or curtailing appropriations, the public should be made to know to what extent Members of the House, at least, have tried to do their duty. We should continue to fight for the reductions we have made and accept the executive procedure only as a matter of last resort.

I hope that the members of the Appropriations Subcommittees of the House will follow the injunction given us not so long ago that we fight until snow comes if necessary to maintain the position of the House in effecting reductions in these bills.

Mr. GARY. Mr. Speaker, may I say that about 2 years ago we cut the appropriations of the Bureau of Internal Revenue something over 5,000 employees. At that time I opposed the cut. We recognized the mistake last year and we restored approximately 2,000 of those employees; to be exact, I think it was 1,950.

This year the Bureau asked for 7,000 additional employees. Frankly, I thought the figure was too high. I thought, moreover, that even though the Bureau needed 7,000 additional employees that they would not be able to recruit and train 7,000 good men within a 12 months' period. There was, however, a difference of opinion on the question on the floor of the House, and the Members will recall that when we brought back our conference report there were several Members of the House who urged additional employees over and above the number that the House had allowed.

When the conference report was considered in the Senate that body was absolutely unanimous in insisting upon the number of 7,000, which it had previously approved. Under those conditions we went into another conference. We have been in conference for about 2 weeks. Finally, after a great deal of discussion and consideration we were able to agree upon 4,250. But let me say that these 4,250 employees will not all be put on at one time; they will be put on at different times during the year so that greater selectivity may be used in their selection and so that they can be better trained. As a matter of fact, if we consider appropriations, the appropriation figures as presented now are \$5,800,000 above the House bill and \$6,468,000 below the Senate bill. So we did get better than a 50-50 cut on the actual appropriations for next year. But as to the number of employees on the roll at the end of the year we did actually split the difference.

Although I felt that probably a lesser number would have been sufficient, frankly, I think it is a good compromise and I recommend the conference report.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 284.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved, etc., That (a) there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to permit departments, agencies, corporations, or other organizational units in any branch of the Government for which appropriations, funds, or other authority (including limitations, restrictions, or permissive provisions) would be made available for use or application in the fiscal year 1950 by any appropriation act (such act not being law on July 1, 1949), to carry out their projects or activities until the approval of the applicable appropriation act, to the extent and in the manner which would be provided for in appropriations, funds, or other authority granted by such act: *Provided*, That in any case where the amount to be made available or the authority to be granted under any such act as passed by the House of Representatives is different from the amount to be made available or the authority to be granted under such act as passed by the Senate, the pertinent project or activity shall be carried out under whichever amount is lesser or whichever authority is more restric-*

*tive: *Provided further*, That in any case where an item is included in an appropriation act which has been passed by only one House, or where an item is included in only one version of an act passed by both Houses, for a project or activity for which funds were provided by Congress for the fiscal year 1949, such project or activity shall be carried on under the appropriation, funds, or authority granted by the one House, but in no event at a rate higher than that provided for the fiscal year 1949.*

(b) There are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to permit departments, agencies, corporations, or other organizational units in any branch of the Government to carry out projects or activities for which funds were provided by Congress for the fiscal year 1949, and for which a budget estimate for the fiscal year 1950 was transmitted to the Congress prior to July 1, 1949, but for which no provision is contained in any bill pending in Congress on July 1, 1949, at the rate provided for under any corresponding appropriation for the fiscal year 1949 or the Budget estimate for 1950, whichever is smaller; except that in the case of activities (other than those of the Treasury Department) transferred to the General Services Administration by H. R. 4754 (81st Cong.) when enacted into law, there are hereby appropriated such amounts as may be necessary to carry out such activities to the extent and in the manner which would be provided for in Budget estimates transmitted to the Congress for the fiscal year 1950.

(c) Appropriations and funds made available, and authority granted, pursuant to this joint resolution shall be determined under the terms hereof by reference to the status of the pertinent appropriation acts and Budget estimates on July 1, 1949, and shall continue to be available in the amount and in the manner so determined until (1) enactment into law of the applicable appropriation act, or (2) the date both Houses shall have acted and failed to make an appropriation, or (3), July 31, 1949, whichever first occurs.

(d) Expenditures from appropriations or funds made available pursuant to this joint resolution shall be charged to any applicable appropriation or fund when the bill in which it is contained is enacted into law.

Mr. CANNON. Mr. Speaker, the fiscal year ends tomorrow night at midnight and unless a resolution is passed a great many pay rolls and 2,800,000 checks for veterans benefits will be held up until some indeterminate time in the future. So we bring in a continuing resolution, House Joint Resolution 284, which is couched in the usual phraseology.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I do not like this resolution and I am sorry it has to be brought in, but it seems to be inevitable under the circumstances. It is made inevitable by the fact that although the Eighty-first Congress has been in session for over 6 months now only seven of the appropriation bills have been sent to the President, seven more remaining to be acted upon.

In view of the fact that the fiscal year ends tomorrow night there is no other alternative than to adopt the pending resolution.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

repairs to the roof, or improvements in lighting or acoustics, require such alteration.

I offer that amendment and ask for its adoption.

Mr. McKELLAR. Mr. President, I make the point of order that the amendment is not in order, because it is not based on an appropriation in the bill.

The VICE PRESIDENT. In order for an amendment to be in order on a pending appropriation bill, it must apply to appropriations in the bill. It cannot apply to appropriations previously made in other bills. Therefore, the amendment is out of order as legislation on an appropriation bill. The point of order is sustained.

Mr. LODGE. I appeal from the decision of the Chair.

The VICE PRESIDENT. The Senator from Massachusetts appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate? (Putting the question.) The "ayes" seem to have it.

Mr. LODGE. I ask for a division.

On a division, the decision of the Chair was sustained.

The VICE PRESIDENT. The question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 284) was ordered to a third reading, read the third time, and passed.

THE FEDERAL BUREAU OF INVESTIGATION

Mr. WILEY. Mr. President, I shall delay the Senate but a very few minutes.

Mr. MAYBANK and Mr. McKELLAR addressed the Chair.

Mr. WILEY. I desire to make a statement while I have the floor. I may not be able to get it again. I have tried before.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. The Senator from Wisconsin has been recognized. The Chair cannot divine the Senator's purpose.

Mr. WILEY. Mr. President, recently, while attending a dinner in Milwaukee, I heard the Attorney General of the United States pay a compliment to one of the great branches of our Government—the FBI. It pleased me very much to hear these fine words about a great agency in which I personally have had a great deal of confidence. The Attorney General said, in substance, that if a crisis should arise, he felt the FBI had the situation "in hand."

I wonder if most of us appreciate just what that means—having the situation in hand. All we have to do is think back a few years as to what happened immediately after Pearl Harbor. All of us said, "Thank God for Mr. Hoover and the FBI." They then and there had the situation in hand.

This country did not suffer any of the sabotage, or any of the other incidents that follow where a country has been penetrated by the enemy.

So it is good, Mr. President, to know that the FBI has the situation "in hand." They are on the job. They know what is going on. And if the situation elsewhere should get out of hand, it is well to know we are in good hands at home.

Why do I speak of this matter today? Well, I will tell the Senate why. Recently some folks, including some of the press, have taken a crack at Mr. Hoover. Mr. President, I was very much pleased to see that again the FBI had the situation in hand. Mr. Hoover did not go into a lot of explaining, a lot of talking. He knew that under America's great freedoms—freedom of the press and freedom of speech—sometimes those freedoms became license when exercised by some folks. But he also knew that he did not have to explain, because he had nothing to explain. He knew, too, that his friends did not need it and his enemies would not believe him anyway.

It is a good thing, Mr. President, that we have public officials who "have the situation in hand" instead of passing the buck, or "letting George do it."

It might be well if each and every one of us, as Senators, asked ourselves whether we have the situation well in hand; whether we are personally adequate, and whether we are officially adequate. Through the years, J. Edgar Hoover has carried the message to Garcia, and repeatedly I have heard the saying: "That is one department of government wherein politics does not enter, where there is no waste or inefficiency, and where a 'man's a man for a that'—even though he is a Republican."

FOURTH OF JULY CELEBRATION AT PIGGOTT, ARK.

Mr. McCLELLAN. Mr. President, I should like to make a brief announcement.

On next Monday the traditional annual celebration of the Fourth of July will be held at Piggott, Ark. Piggott has been long known for its annual celebration of this date. But this year the celebration takes on special significance because the people of Piggott, and Clay County, with their friends from far and wide, will honor one of their beloved sons, Leslie Biffle, the Secretary of the Senate, our own esteemed friend.

Mr. President, the idea of a day for a celebration in Piggott, Ark., combined with the traditional Fourth of July occasion, originated in the minds of some of Mr. Biffle's friends and neighbors in Piggott. But friends from other sections of the State and from Washington, D. C., and other persons immediately joined in the movement and are lending it their enthusiastic support. So, Mr. President, on July 4, 1949, there will be at Piggott not only an occasion for celebrating Independence Day, but an occasion for paying tribute to one of Arkansas' distinguished sons, a native of that community, and also one whom every Member of this body esteems and admires as a public servant whose sterling qualities and services to his country have been recognized throughout the Nation.

On that occasion, Mr. President, there will be placed in the Federal Building at Piggott a bust of Mr. Biffle, by the noted sculptor, Felix de Weldon, together with a scroll in honor of Mr. Biffle, bearing the names of some of his many friends from Washington and other sections of the Nation.

On behalf of the committee on arrangements I am authorized to and take

pleasure in extending an invitation to each Member of the Senate, and particularly the Members of the Senate from adjoining and neighboring States, to join us on that occasion and participate in the tribute to our able, distinguished, and beloved Secretary of the Senate.

SALE OF LIMESTONE THROUGH PRODUCTION AND MARKETING ADMINISTRATION

Mr. WILLIAMS. Mr. President, as a result of a statement which I made on the floor of the Senate on March 2 of this year, regarding the sale of limestone through the Production and Marketing Administration to the farmers in the Delmarva area at an excessive margin of profit, the Department of Agriculture has conducted an investigation which disclosed the following facts:

This limestone material was being purchased by Charles W. Diliberto, limestone dealer of Norristown, Pa., from the Bridgeport, Pa., plant of the Bethlehem Steel Corp. at \$1 per ton, f. o. b. plant, which material was designated as common sand.

The average freight rate in 1946 on this product to lower Delaware was \$1.58 per ton.

In 1946 this material was sold to the Government, basis \$7.55 per ton spread on the farms in Delaware, with the farmer paying \$3.05, and the Government the remaining \$4.50.

This material did carry an analysis to comply with the minimum requirements of the Delaware laws. It contained an average of approximately 10 percent moisture.

Invoices for this material submitted by Charles W. Diliberto to the Government were not accompanied by certified weight slips (the Delaware law requires that certified weight slips must accompany all bulk deliveries to the farmer). The invoices were accompanied by receipts signed by farmers to whom delivery was made.

It should be pointed out here that complaints have been registered by numerous farmers questioning the accuracy of the weights billed. In at least one instance where the weight was questioned by a farmer upon delivery, inaccuracies were found. Loads involved were numbered 11958, 11856, 11802, and 11959. One of these loads, carrying a weight slip showing a net weight of 24,000 pounds, was reweighed on the Delaware police station scales and showed a net weight of only 12,230 pounds. This particular error was subsequently corrected by Mr. Diliberto, but since most farmers had no way of reweighing the trucks, and merely signed delivery receipts in good faith, there is no way of checking the extent to which inaccuracies might have prevailed.

Mr. Diliberto failed to deliver 480 tons of limestone ordered by farmers in Sussex County, Del., under the 1946 program, for which he received Government payments totaling \$2,160.

Mr. Diliberto also received payments totaling \$3,028.50 for limestone purportedly delivered within the calendar year 1946, but actually not delivered until the early months of 1947.

Clarence M. Ocheltree, chairman of the Delaware State PMA Committee, received payments from Mr. Diliberto totaling \$1,260.17 during the period October

1946 to December 1948. The investigation report indicates that these payments represented commissions on sales of Mr. Diliberto's limestone in Delaware. Mr. Ocheltree claimed that they represented payments on a tractor which he allegedly sold to Mr. Diliberto. Mr. Diliberto refused to offer any explanation.

R. W. Lingo, former community committeeman in Sussex County, Del., received payments from Mr. Diliberto totaling \$1,032.72, admittedly representing commissions on limestone orders solicited by Mr. Lingo from Sussex County farmers.

In addition to the above-named officials, it was found that four others—two girls working in one of the county offices, and two committeemen—accepted minor gifts as Christmas presents from Mr. Diliberto. While acceptance of these gifts by employees of the Government from a contractor is a violation of the regulations punishable by suspension of the employees, it is only fair to say that the evidence indicates that these gifts were accepted merely as unsolicited Christmas presents. Also there is no evidence that the actions of these four employees were in any way influenced by the acceptance of such gifts.

The resignations of both Mr. Ocheltree and Mr. Lingo have been accepted by the Department, and the investigation report has been referred to the Solicitor of the Department of Agriculture for recommendations.

The investigation disclosed no other instances of irregular conduct on the part of Government personnel.

The junior Senator from Delaware [Mr. FREAR], Representative J. CALEB Boggs, and I, comprising the entire Delaware congressional delegation, have reviewed this report, and feel that the steps taken by the Department of Agriculture have corrected the unsatisfactory conditions which existed prior to the disclosure, and should also prevent their repetition. We appreciate very much the splendid cooperation which we received from both the local committeemen and the farmers in securing the necessary information to clear up this situation. We also feel that this investigation which has been conducted by the Department of Agriculture, resulting in the full exposure of the irregularities and the placing of the responsibility, should restore the confidence of the farmers in the many officials of this agency who have been doing their best to properly administer the soil conservation program.

TREASURY AND POST OFFICE APPROPRIATIONS, ETC.—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit a conference report on House bill 3083, making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation, which I ask to have the clerk read.

The VICE PRESIDENT. The conference report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R.

3083) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5 and 7, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$226,300,000"; and the Senate agree to the same.

BURNET R. MAYBANK,
CARL HAYDEN,
H. M. KILGORE,
JOHN L. MCCLELLAN,
OLIN D. JOHNSTON,
GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,

Managers on the Part of the Senate.

J. VAUGHAN GARY,
A. M. FERNANDEZ,
OTTO E. PASSMAN,
CLARENCE CANNON,

Managers on the Part of the House.

Mr. MAYBANK. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, will not the Senator from South Carolina state what the conferees did?

Mr. MAYBANK. Mr. President, in substance, when we first met we made an agreement on the Post Office Department and the RFC appropriations, and those for the other agencies within the Treasury and Post Office Departments, except the Internal Revenue Bureau. We finally made a settlement as of the end of the year, in accordance with the Senate's amendment, so that the Bureau could get able, conscientious collectors to the number of 4,250, as against the 7,000 provided for by the Senate, which was over the budget estimate, and as against the 1,500 approved by the House. So, as of June 1950 there will be 4,250 additional collectors to collect taxes owing but which have not been paid into the Federal Treasury.

Mr. WHERRY. Mr. President, I appreciate very much the observations made, because I know how anxious the Senate was to increase the number for the purposes set forth on the floor of the Senate. Does the Senator now feel that the number arrived at in the compromise will be ample?

Mr. MAYBANK. I should have liked to see 7,000 provided for, but we were in conference for many weeks, and I believe this is the best investment Congress has ever made—an appropriation which will enable the Treasury to get from those who are tax delinquent and have not paid their taxes what they owe, rather than have Congress levy new taxes.

The PRESIDING OFFICER (Mr. McGrath in the chair). The question is on agreeing to the conference report.

The conference report was agreed to.

AUTHORIZATION FOR JOINT COMMITTEE ON FOREIGN ECONOMIC COOPERATION TO MAKE CERTAIN EXPENDITURES

Mr. HAYDEN. Mr. President, by direction of the Committee on Rules and Administration, and at the request of the Committee on Appropriations, I report an original resolution which I send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 131) was read, as follows:

Resolved, That the Joint Committee on Foreign Economic Cooperation is authorized, during the month of July 1949 to expend from the contingent fund of the Senate, an amount equal to the unobligated balance of the appropriation for the said committee for the fiscal year ending June 30, 1949.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

Mr. WHERRY. Mr. President, will not the Senator from Arizona explain what the resolution provides?

Mr. HAYDEN. There was provision in the European Recovery Act last year for a joint committee of the Senate and the House, the expenses of which were to be paid from the contingent funds of the House and the Senate. We could not, therefore, include the appropriation in the joint resolution just passed. The resolution I send forward provides that there shall be paid out of the contingent fund of the Senate for the month of July the salaries of those serving the committee.

Mr. WHERRY. I am wholly in sympathy with the resolution, and voted to report it from the Committee on Rules and Administration, but I thought an explanation should be made.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

TEMPORARY PAY OF EMPLOYEES OF FORMER SENATOR WAGNER

Mr. HAYDEN. Mr. President, I call up Calendar No. 597, Senate Resolution 129, coming over from the previous day.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 129) was read, as follows:

Resolved, That the administrative and clerical assistants appointed by Senator Robert F. Wagner for service in his office and carried on the Senate pay roll at the time of his resignation from the Senate, shall be continued on such pay roll at their respective salaries for a period not to exceed 60 days, payments therefor to be made from the contingent fund of the Senate.

Mr. HAYDEN. Mr. President, question was raised yesterday by the Senator from Georgia [Mr. GEORGE] and the Senator from California [Mr. KNOWLAND] as to this resolution.

Mr. WHERRY. Mr. President, will not the Senator give an explanation as to whether the Senators who objected have been satisfied, and what the objection was?

[PUBLIC LAW 150—81ST CONGRESS]

[CHAPTER 286—1ST SESSION]

[H. R. 3083]

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1950, namely :

OFFICE OF THE SECRETARY

SALARIES

For personal services in the District of Columbia, \$750,000.

DAMAGE CLAIMS

For payment of claims pursuant to law (28 U. S. C. 2672), \$30,000.

HEALTH SERVICE PROGRAMS

For health service programs, as authorized by law, in the District of Columbia, \$80,000: *Provided*, That other appropriations in this title shall be available for such programs in the field.

REFUNDS UNDER RENEGOTIATION ACT

For refunds under section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, computed to the date of certification to the Treasury Department for payment: \$1,800,000: *Provided*, That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further*, That refunds made hereunder shall be based solely on the certificate of the

War Contracts Price Adjustment Board or its duly authorized representatives.

DIVISION OF TAX RESEARCH

SALARIES

For personal services in the District of Columbia, \$135,000.

OFFICE OF GENERAL COUNSEL

SALARIES

For personal services in the District of Columbia, \$330,000.

SALARIES AND EXPENSES, OFFICE OF CONTRACT SETTLEMENT

For expenses necessary to carry out the provisions of the Contract Settlement Act of 1944, including contract stenographic reporting services, \$70,000.

OFFICE OF ADMINISTRATIVE SERVICES

SALARIES

For personal services in the District of Columbia, including the operating force of the Treasury, Liberty Loan, and Auditors' buildings, and annexes thereof, \$1,150,000.

MISCELLANEOUS EXPENSES

For necessary expenses of bureaus and offices of the Treasury Department, not otherwise provided for, including operation of the Treasury, Auditors', and Liberty Loan buildings and annexes thereof, printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; \$325,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses in the District of Columbia, including contract stenographic reporting services and printing and binding, \$1,550,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, \$10,830,000: *Provided*, That with the approval of the Bureau of the Budget there may be transferred or advanced to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture", and from available

corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

RECOINAGE OF SILVER COINS

For reimbursement of the Treasurer of the United States for the difference between the face value of subsidiary silver coins of the United States and the amount the same will produce in new coins, \$150,000.

RELIEF OF THE INDIGENT, ALASKA

For relief of persons in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), as authorized by law (48 U. S. C. 41), \$20,000.

GOVERNMENT LOSSES IN SHIPMENT

Fund for payment of Government losses in shipment (revolving fund): For the payment of losses in accordance with provisions of the Government Losses in Shipment Act, approved July 8, 1937 (50 Stat. 479-484), as amended, \$100,000.

REFUND OF MONEYS ERRONEOUSLY RECEIVED AND COVERED

For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934 (31 U. S. C. 725q), and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, such amounts as hereafter may be necessary.

PAYMENT OF CERTIFIED CLAIMS

For payment of claims (not to exceed \$500 in any case) which may be certified by the Comptroller General of the United States to be within the limits of, and chargeable against the balances of the respective appropriations which, after remaining unexpended, have been carried to the surplus fund, such amounts as hereafter may be necessary.

PAYMENTS OF UNCLAIMED MONEYS

For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934 (31 U. S. C. 725p), payable from the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", such amounts as hereafter may be necessary.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury

is charged, including not to exceed \$4,415,000 for promoting the sale of savings bonds, \$52,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)): *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

DISTINCTIVE PAPER FOR UNITED STATES CURRENCY

For expenses necessary for distinctive paper for United States currency, including personal services and allowance, in lieu of expenses, not to exceed \$50 per month each when actually on duty, of officers detailed from the Treasury Department, \$1,450,000: *Provided*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the current fiscal year between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, including printing and binding, \$5,450,000: *Provided*, That with the approval of the Bureau of the Budget, there may be transferred or advanced to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

CONTINGENT EXPENSES, PUBLIC MONEYS

For the collection, safekeeping, transfer, and disbursement of the public money and securities of the United States, \$450,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan Numbered III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; not to exceed \$500 for newspapers; not to exceed \$100,000 for stationery; not to exceed \$12,000 for maintenance

and improvement of buildings and sites, acquired under the Act of June 26, 1930 (19 U. S. C. 68); printing and binding; purchase of one hundred passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; not to exceed \$1,020,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525); \$35,150,000.

Hereafter overtime compensation of customs officers and employees, as authorized by law, shall be based either on standard or daylight saving time, whichever is observed where the overtime services are performed.

REVOLVING FUND, BUREAU OF CUSTOMS

For establishing a revolving fund which shall be available, without fiscal year limitation exclusively for transfer to the appropriation for collecting the revenue from customs to cover obligations of the Bureau of Customs arising from authorized reimbursable services, pending reimbursement from parties in interest, \$300,000: *Provided*, That amounts so transferred shall be returned to the revolving fund not later than six months after the close of the fiscal year in which transferred.

REFUNDS AND DRAW-BACKS

For refund or payment of customs collections or receipts, and payment of debentures or draw-backs, bounties, and allowances, as authorized by law, such amounts as hereafter may be necessary.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses in assessment and collection of internal-revenue taxes; administration of the internal-revenue laws; discharge of functions imposed upon the Commissioner of Internal Revenue by or pursuant to other laws; investigations concerning the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters; and acquisition, operation, maintenance, and repair of property under title III of the Liquor Law Repeal and Enforcement Act (40 U. S. C. 304f-m), including personal services in the District of Columbia, and elsewhere; expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred and eighty-four for replacement only) and hire of passenger motor vehicles; printing and binding; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner of Internal Revenue; not to exceed \$1,500,000 for stationery; expenses of seizure, custody, and disposal of property; purchase of chemical analyses and expenses of testimony thereon; ammunition; securing of information and evidence; and not to exceed \$500,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, as authorized by law (26 U. S. C. 3792); \$226,300,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$17,509,000.

ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, \$10,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For expenses necessary to enforce sections 2550-2565; 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171-184); the Act of June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198) and the Opium Poppy Control Act of 1942 (21 U. S. C. 188-188n), including personal services in the District of Columbia; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of chemical analyses and testimony thereon; expenses of seizure, custody, and disposal of property; hire of passenger motor vehicles; arms and ammunition; not to exceed \$10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing; securing of information and evidence; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$1,610,000.

BUREAU OF ENGRAVING AND PRINTING

SALARIES AND EXPENSES

For expenses necessary for engraving and printing (exclusive of repay work), United States currency and internal-revenue stamps, opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, including the Director, two Assistant Directors, and other personal services in the District of Columbia; wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, such rates not to exceed those usually paid for such work; engravers', printers', and other materials, including distinctive and nondistinctive paper not otherwise specifically provided for; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; not to exceed \$500 for periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference; not to exceed \$1,500 for travel; printing and binding; and not to exceed \$15,000 for transfer to the Bureau of Standards for scientific investigations; \$15,660,000: *Provided*, That during the current fiscal year proceeds derived from work performed by direction of the Secretary of the Treasury but not covered in this appropriation, instead of being covered into the Treasury as miscellaneous receipts as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited to this appropriation.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed fifteen) and hire of passenger motor vehicles; printing and binding; arms and ammunition; and not to exceed \$15,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; \$1,925,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses, including personal services, uniforms and equipment, and arms and ammunition, purchases to be made in such manner as the President may determine, \$370,000.

SALARIES AND EXPENSES, GUARD FORCE

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms; arms and ammunition; \$700,000: *Provided*, That not to exceed \$193,015 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be advanced to this appropriation to cover service rendered such Bureau which is not covered in the direct appropriations for such Bureau: *Provided further*, That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

CONTRIBUTION FOR ANNUITY BENEFITS

For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the current fiscal year, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, \$84,600.

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; and the Office of the Director of the Mint, and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$1,000 for the expenses of the annual assay commission, and not to exceed \$1,000 for acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection; \$4,800,000.

BUREAU OF FEDERAL SUPPLY

SALARIES AND EXPENSES

For necessary expenses, including personal services in the District of Columbia, printing and binding, services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and attendance at meetings of organizations of concern to the work of the Bureau, \$1,450,000: *Provided*, That the general supply fund shall be available for (1) procurement for non-Federal agencies for which a Federal agency is authorized to procure; (2) purchase from or through the Public Printer of standard forms and blankbook work for field warehouse stocking and issue, such issues to be chargeable to applicable appropriations and to be reported as the Public Printer may require; (3) printing and binding, purchase of ten passenger motor vehicles for replacement only, and attendance at meetings of organizations of concern to the operation of the general supply fund; and (4) reconditioning and repair of supplies for Government service: *Provided further*, That payments to the general supply fund may be made (1) in advance; (2) by transfer and counter warrants based on itemized invoices at issue prices fixed by the Director; and (3) by vouchers certified by the requisitioning agency on the basis of the Bureau's billing, subject to later adjustment if necessary, and in such cases the certifying officer shall be responsible only for the availability of the funds charged: *Provided further*, That when functions are transferred to the Bureau of Federal Supply, transfers may be made from applicable appropriations or funds to the Bureau of Federal Supply of amounts approved by the Bureau of the Budget as necessary for the proper performance of the functions transferred, including personal services: *Provided further*, That after June 30, 1949, the proceeds of sale of surplus property by the Bureau of Federal Supply shall be covered into the Treasury as miscellaneous receipts, except where reimbursement to an appropriation or fund is authorized by law.

During the current fiscal year, no part of any money appropriated in this or any other Act shall be used during any quarter of such fiscal year to purchase typewriting machines (except bookkeeping and billing machines) at a price which exceeds 90 per centum of the lowest net cash price, plus applicable Federal excise taxes, accorded the most-favored customer (other than the Government, the American National Red Cross, and the purchasers of typewriting machines for educational purposes only) of the manufacturer of such machines during the six-month period immediately preceding such quarter.

No part of any money appropriated by this or any other Act for any agency of the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) shall be used during the current fiscal year for the purchase within the continental limits of the United States of any typewriting machines (except typewriting machines for veterans under public laws administered by the Veterans' Administration) unless the Director of the Bureau of Federal Supply certifies that he is unable to furnish such agency with suitable typewriting machines out of stock on hand. The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the numbers and kinds of typewriting machines located in the continental limits of the United States which are at any time surplus to the requirements of any agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations). Upon such determination, the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any such agency to surrender to the Bureau of Federal Supply any and all typewriting machines surplus to its requirements, the costs of packing, shipping, and handling thereof to be charged to the general supply fund. Each such agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines, wherever located, as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive, hold, sell, exchange, or supply to any branch of the Government, including the District of Columbia, typewriting machines surrendered to it hereunder. The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

GENERAL SUPPLY FUND

To increase the general supply fund established by the Act of February 27, 1929, as amended (41 U. S. C. 7c), \$479,803.93.

NET RENEGOTIATION REBATES

For necessary expenses in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, including personal services in the District of Columbia, \$125,000.

STRATEGIC AND CRITICAL MATERIALS

For necessary expenses in carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946, including personal services in the District of Columbia; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of fifteen passenger motor vehicles; and printing and binding; \$525,000,000, to be immediately available and to remain available until expended, of which \$250,000,000 is for liquidation of obligations incurred pursuant to authority heretofore granted under this head; and in addition to the amount herein appropriated, contracts may be entered into for the purposes of the said Act of July 23, 1946, in an amount not in excess of \$250,000,000: *Provided*, That any funds received as proceeds from sale or other disposition of materials on account of the rotation of stocks under said Act shall be deposited to the credit, and be available for expenditure for the purposes, of this appropriation: *Provided further*, That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with subsection 6 (a) of the Act of July 23, 1946 (60 Stat. 598), may be transferred to stock piles established in accordance with said Act.

COAST GUARD

SALARIES, OFFICE OF THE COMMANDANT

For personal services at the seat of Government, \$2,500,000.

PAY AND ALLOWANCES

For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted personnel, on active duty, and six civilian instructors; not exceeding \$10,000 for cash prizes for men for excellence in boatmanship, gunnery, target practice, and engineering competitions; transportation of dependents of Coast Guard personnel on active duty and retired and Reserve officers and of retired and Reserve enlisted personnel, of grades entitled to transportation of dependents in the Regular Coast Guard, when ordered to active duty (other than training) and upon relief therefrom; carrying out the provisions of the Act of June 4, 1920 (34 U. S. C. 943); not to exceed \$32,200 for cost of instruction of officers at non-Federal institutions, including books, laboratory equipment and fees, school supplies, and maintenance of students; motion-picture and other equipment for instructional purposes; rations or commutation thereof for cadets, petty officers, other enlisted personnel, members of the Coast Guard Auxiliary when assigned specific duties under the provisions of section 8, Act of February 19, 1941, as amended (14 U. S. C. 267), working parties in the field, and officers and crews of light vessels and tenders (14 U. S. C. 135); mileage and expenses allowed by law for officers, including per diem rates of allowance, and the Secretary is hereby authorized to prescribe per diem rates of allowance for Public Health Service officers detailed to the Coast Guard as authorized for Coast Guard officers; traveling expenses of other persons traveling on duty under orders from the Treasury Department, including transportation of cadets, enlisted personnel,

and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof; transportation in kind and subsistence to discharged cadets; uniform clothing for enlisted men as provided by law (14 U. S. C. 13); clothing for enlisted personnel authorized by law; civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$30 per person to enlisted personnel given discharges for bad conduct, undesirability, unsuitability, or inaptitude; reimbursement in kind or in cash as authorized by law to persons in the Coast Guard for personal property lost, destroyed, or damaged; actual expenses of officers and cadets and quarters and subsistence of enlisted personnel on shore patrol, emergency shore detail and other detached duty, or cash in lieu thereof; hire of quarters for officers serving with troops where sufficient quarters are not possessed by the United States to accommodate them; hire of quarters for Coast Guard personnel comparable to quarters assignable on a capital ship of the Navy, as authorized by the Secretary to meet emergency conditions, including officers and men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable: *Provided*, That under this authorization no funds may be expended for the hire of quarters for occupancy by the dependents of officers or enlisted personnel; expenses of recruiting for the Coast Guard; advertising for and obtaining enlisted personnel and applicants for appointment as cadets; training of enlisted personnel, including textbooks, school supplies, and correspondence courses; transfer of household goods and effects of Coast Guard and Coast Guard Reserve personnel on active duty and when ordered to active duty and upon relief therefrom, and the transfer of household goods and effects of deceased Coast Guard and Coast Guard Reserve personnel who die while on active duty, as prescribed by law and regulations; purchase of provisions for sale to Coast Guard personnel at isolated stations, and the appropriation reimbursed; and including not to exceed \$190,000 for recreation, amusement, comfort, contentment, and health of the enlisted personnel of the Coast Guard, to be expended pursuant to regulations prescribed by the Secretary; apprehension and delivery of deserters and stragglers (14 U. S. C. 147); \$76,250,000: *Provided*, That no part of this appropriation shall be used (1) to pay any enlisted man of the Coast Guard while detailed for duty at Coast Guard headquarters if such detail increases above thirty the total number of enlisted men detailed to such duty at any time, or (2) for increased pay for making aerial flights by nonflying officers or observers at rates in excess of those prescribed by law for the Air Force, which shall be the legal maximum rates as to such nonflying officers or observers.

RETIRED PAY

For retired pay for commissioned officers, warrant officers, enlisted personnel, for certain members of the former Life Saving Service authorized by the Act approved April 14, 1930 (14 U. S. C. 178a), and for certain officers and employees entitled thereto by virtue of former employment in the Lighthouse Service engaged in the field service or on vessels of the Coast Guard except persons continuously employed in district offices and shops (33 U. S. C. 763, 765), \$13,134,000.

GENERAL EXPENSES

For expenses necessary for the operation and maintenance of the Coast Guard ashore and afloat, except as specifically provided for in other appropriations, including personal services; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); printing and binding; purchase of not to exceed thirty-one passenger motor vehicles for replacement only, and maintenance, operation, and repair of aircraft; improvement of property for Coast Guard purposes, including rental, purchase, or use of additional land where necessary and the purchase of land for beacons, daymarks, and fog signals; subsistence and clothing for shipwrecked and destitute persons, including reimbursement, under rules prescribed by the Secretary, of Coast Guard personnel who furnish from their personal stock subsistence and clothing to such persons (33 U. S. C. 749); for payment of claims authorized under the Act of December 28, 1945, as amended (31 U. S. C. 222g); examination of estimates of appropriations in the field; not to exceed \$2,500 for contingencies for the Superintendent, United States Coast Guard Academy, to be expended in his discretion (14 U. S. C. 15k); payment of rewards for the apprehension and conviction, or for information helpful therein, of persons found interfering in violation of law with aids to navigation maintained by the Coast Guard (14 U. S. C. 50c); \$39,400,000: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and ten exclusive of planes and parts stored to meet future attrition.

CIVILIAN EMPLOYEES

For personal services in the field, not otherwise provided for, including per diem labor, \$4,400,000.

The Secretary of the Treasury may transfer funds between the foregoing appropriations for the Coast Guard, but no appropriation shall be either increased or decreased more than 5 per centum by such transfers.

The capital of the Coast Guard supply fund shall be increased by the value of commissary provisions and uniform clothing on hand on July 1, 1949, and thereafter, under regulations prescribed by the Secretary, the Coast Guard supply fund shall be charged with the cost of procurement and credited with the value of provisions consumed or sold, and the value of issues and sales of clothing, such values to be determined on a basis which will not increase the capital of the fund.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For establishing and improving aids to navigation; the purchase or construction of additional and replacement vessels and their equipment; the purchase of aircraft and their equipment; the construction, rebuilding, or extension of shore facilities, including the acquisition of sites and improvements thereon when specifically approved by the Secretary; and for expenditures directly relating thereto, including personal services at the seat of government; \$10,000,000, to remain available until expended.

SEC. 102. No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person

whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

SEC. 103. This title may be cited as the "Treasury Department Appropriation Act, 1950".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1950, namely:

DEPARTMENTAL SERVICE

SALARIES

For personal services in the District of Columbia in bureaus and offices, as follows:

Office of the Postmaster General, including a health service program as authorized by law, \$437,100.

Office of Budget and Administrative Planning, \$132,300.

Office of the First Assistant Postmaster General, \$1,297,000.

Office of the Second Assistant Postmaster General, \$1,255,000, including \$160,000 available only for temporary personal services in the District of Columbia, and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in connection with rate hearings before the Interstate Commerce Commission.

Office of the Third Assistant Postmaster General, \$1,490,000.

Office of the Fourth Assistant Postmaster General, \$907,000.

Office of the Solicitor, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$302,600.

Office of the Chief Inspector, \$440,000.

Office of the Purchasing Agent, \$98,000.

Bureau of Accounts, \$556,000.

CONTINGENT EXPENSES

For necessary contingent and miscellaneous expenses not otherwise provided for; printing and binding for the departmental and field services; purchase and exchange of lawbooks and books of reference; newspapers; and not to exceed \$10,500 for travel expenses of the purchasing agent and of the solicitor and personnel connected with those offices; \$2,800,000.

FIELD SERVICE

OFFICE OF THE POSTMASTER GENERAL

TRAVEL AND MISCELLANEOUS EXPENSES

For travel and miscellaneous expenses in the field service, offices of the Postmaster General and Assistant Postmasters General, \$3,000.

DAMAGE CLAIMS

For payment of claims for damages, current and prior fiscal years, pursuant to law (28 U. S. C. 2672; 31 U. S. C. 224c), \$450,000.

ADJUSTED LOSSES

For payments or credits to postmasters and to mail clerks and assistant mail clerks of the Army, Navy, Air Force, and Coast Guard, of amounts ascertained to have been lost or destroyed during the current or prior fiscal years through unavoidable casualty, as authorized by law (39 U. S. C. 49), \$75,000.

OFFICE OF THE CHIEF INSPECTOR
INSPECTORS

For personal services of fifteen inspectors in charge of divisions and eight hundred inspectors, \$4,780,000.

MISCELLANEOUS EXPENSES, INSPECTION SERVICE

For necessary travel and miscellaneous expenses incurred in the operation of the inspection service, including not to exceed \$27,600 for chemical and other investigations, \$958,000.

CLERKS, INSPECTION SERVICE

For personal services of three hundred and eighty-nine clerks in the inspection service, \$1,333,000.

REWARDS

For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, current and prior fiscal years, \$55,000: *Provided*, That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 36844, dated March 12, 1948: *Provided further*, That of the amount herein appropriated not to exceed \$20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL
POSTMASTERS

For personal services of postmasters, including persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, \$104,000,000.

ASSISTANT POSTMASTERS

For personal services of assistant postmasters at first- and second-class offices, \$15,000,000.

CLERKS, FIRST- AND SECOND-CLASS OFFICES

For personal services of clerks and employees at first- and second-class offices, including auxiliary clerk hire at summer and winter offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes; and a health service program as authorized by law, \$629,000,000.

CONTRACT STATION SERVICE

For contract station service, \$3,700,000.

SEPARATING MAILS

For separating mails at fourth-class offices, \$180,000.

UNUSUAL CONDITIONS

For unusual conditions at post offices, \$25,000.

CLERKS, THIRD-CLASS OFFICES

For personal services of clerks at third-class offices, \$33,250,000.

MISCELLANEOUS ITEMS, FIRST- AND SECOND-CLASS OFFICES

For personal services and expenses necessary for the operation and protection of offices of the first and second classes, not otherwise provided for, \$4,625,000.

VILLAGE DELIVERY SERVICE

For personal services and expenses necessary for the operation of village delivery service in towns and villages having offices of the second or third class, and in communities adjacent to cities having city delivery, \$375,000.

DETROIT RIVER SERVICE

For Detroit River postal service, \$12,500.

CARFARE AND BICYCLE ALLOWANCE

For carfare and bicycle allowance, including special delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, \$3,300,000.

CITY DELIVERY CARRIERS

For personal services of carriers in the city delivery service, and employees in the United States official mail and messenger service, \$393,000,000.

SPECIAL DELIVERY SERVICE

For personal services of and fees to special delivery messengers, \$16,500,000.

RURAL DELIVERY SERVICE

For personal services of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, \$153,500,000, of which not less than \$200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL
STAR ROUTE SERVICE

For inland transportation by star routes, \$31,000,000.

POWERBOAT SERVICE

For inland transportation by powerboat routes, \$2,250,000.

RAILROAD AND MESSENGER SERVICE

For inland transportation by railroad routes and for mail messenger service, \$222,708,000: *Provided*, That separate accounts shall be kept of the amount expended for mail messenger service.

SALARIES, RAILWAY MAIL SERVICE

For personal services of fifteen general superintendents, fifteen assistant general superintendents, four assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, \$128,750,000.

TRAVEL, RAILWAY MAIL SERVICE

For travel allowance of the railway mail service, including travel expenses of departmental officials and employees of the railway mail service, \$8,150,000.

MISCELLANEOUS EXPENSES, RAILWAY MAIL SERVICE

For necessary expenses of the railway mail service not otherwise provided for, \$650,000.

ELECTRIC CAR SERVICE

For electric car service, \$175,000.

FOREIGN MAIL TRANSPORTATION

For transportation of foreign mails, except by aircraft, \$11,500,000: *Provided*, That not to exceed \$2,000 is hereby made available for expenses of delegates designated by the Postmaster General to The Executive and Liaison Commission and the Transit Commission of the Universal Postal Union, to be expended in the discretion of the Postmaster General and accounted for solely on his certificate.

AMOUNTS DUE FOREIGN COUNTRIES

For payment of amounts due foreign countries for transportation and handling of mails of United States origin, current and prior fiscal years, \$10,000,000.

INDEMNITIES, INTERNATIONAL MAIL

For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, current and prior fiscal years, \$50,000.

FOREIGN AIR MAIL SERVICE

For expenses necessary for transportation of foreign mails by aircraft, as authorized by law, \$45,308,000.

DOMESTIC AIR MAIL SERVICE

For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed \$225,000 for personal services at field headquarters, \$41,753,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL
STAMPS AND STAMPED PAPER

For manufacture and distribution of stamps and stamped paper, including not to exceed \$33,000 for personal services of employees and other necessary expenses of the United States Stamped Envelope Agency, \$11,000,000.

INDEMNITIES, DOMESTIC MAIL

For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, current and prior fiscal years, \$4,250,000.

UNPAID MONEY ORDERS

For payment of domestic money orders after one year from the last day of the month of issue of such orders, such amounts as hereafter may be necessary.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL
SUPPLIES AND EQUIPMENT

For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the field service not otherwise provided for; not to exceed \$1,500 for the purchase of atlases and geographical and technical works; not to exceed \$239,000 for personal services, including seventeen traveling mechanics; rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and travel expenses; \$11,300,000, of which \$750,000 shall be available exclusively for the development, manufacture, and purchase of modern mechanical postal devices to improve and facilitate mail handling, financial operations, and other postal functions: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps at the cost of printing and 10 per centum thereof added.

EQUIPMENT SHOPS

For purchase, manufacture, and repair of mail bags and other equipment for the field service not otherwise provided for; and for expenses necessary for the operation, maintenance, and protection of the mail-equipment-shops building, grounds, and equipment, including not to exceed \$1,510,000 for personal services in the District of Columbia and a health-service program as authorized by law; \$19,000,000, of which not to exceed \$15,000 shall be available for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments.

RENT, FUEL, AND UTILITY SERVICES

For rent, light, power, fuel, and water, for first-, second-, and third-class offices, and the cost of advertising for lease proposals for such offices, \$17,200,000.

PNEUMATIC TUBE SERVICE

For rental of not to exceed twenty-eight miles of pneumatic tubes, personal services, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not to exceed two miles of pneumatic tubes, not including personal services and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; \$775,000: *Provided*, That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

VEHICLE SERVICE

For the hire, purchase, maintenance, repair, and operation of vehicles, including tractors and trailer trucks, for use in the collection, transportation, delivery, and supervision of the mail, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the field service; rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned vehicles, and personal services in the motor vehicle service, \$51,500,000, of which \$5,631,000 shall be available exclusively for the purchase of trucks, including tractors and trailers: *Provided*, That no part of this appropriation shall be expended for maintenance or repair of vehicles for use in connection with administrative work in the departmental service.

TRANSPORTATION OF EQUIPMENT AND SUPPLIES

For the transportation and delivery of equipment, materials, and supplies for the departmental and field services by freight, express, or motor transportation, and other incidental expenses, \$900,000.

SALARIES, CUSTODIAL SERVICE

For personal services in the custodial service, \$52,800,000.

SUPPLIES, PUBLIC BUILDINGS

For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, \$8,150,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of \$250 at any one building: *Provided*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

EQUIPMENT, PUBLIC BUILDINGS

For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, \$1,205,000: *Provided*, That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

POSTAL DEFICIENCY

DEFICIENCY IN POSTAL REVENUES

If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under this title, a sum equal to such deficiency in the revenues is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues for the current fiscal year, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

POST OFFICE DEPARTMENT—GENERAL PROVISIONS

SEC. 202. Unless otherwise provided, no part of any appropriation in this title for the field service shall be expended on account of the departmental service: *Provided*, That necessary expenses of officials and employees of the departmental or field services traveling on official business may be paid from the appropriation for the service in connection with which the travel is performed: *Provided further*,

That appropriations made in this title for the field service, except such as are exclusively for personal services, shall be available for examination of estimates of appropriations in the field.

SEC. 203. Appropriations made in this title for the departmental and field services shall be available for expenditures in connection with accident prevention in the respective services.

SEC. 204. Not to exceed 5 per centum of any appropriation for the field service may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the field service, but no appropriation shall be increased more than 10 per centum by such transfers.

SEC. 205. Appropriations in this title available either for personal services or for necessary expenses or for miscellaneous supplies shall be available for printing and binding.

SEC. 206. Appropriations in this title for the purchase of fuel and the transportation thereof shall be immediately available.

SEC. 207. During the fiscal year 1950 the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

SEC. 208. This title may be cited as the "Post Office Department Appropriation Act, 1950".

TITLE III—GOVERNMENT CORPORATIONS

The following corporations, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year ending June 30, 1950, for each such corporation, except as hereinafter provided:

EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed \$950,000 (to be on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for all administrative expenses of the bank, including not to exceed \$300 for periodicals, \$300 for newspapers, and \$500 for maps; health-service program as authorized by law (5 U. S. C. 150), and not to exceed \$5,000 for temporary services, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

RECONSTRUCTION FINANCE CORPORATION

Not to exceed \$25,775,000 (to be computed on an accrual basis) of the funds of the Reconstruction Finance Corporation shall be available during the current fiscal year for its administrative expenses and the administrative expenses of the Federal National Mortgage Association; not to exceed \$1,500 for periodicals and newspapers; purchase (not to exceed forty, for replacement only) and hire of passenger motor vehicles; health service program as authorized by law (5 U. S. C. 150); use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchases of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States; the expenses of services performed on a contract or fee basis in connection with termination of contracts or in the performance of legal services; and all administrative expenses reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts of the Corporation shall be made in accordance with generally recognized accounting principles and practices: *Provided further*, That, except as otherwise provided hereinafter, none of the funds of the Reconstruction Finance Corporation and its subsidiary shall be used for the custody, maintenance, or disposal of any surplus property within the continental limits of the United States, its Territories or possessions, except such property as may be owned by and held for disposal by the Reconstruction Finance Corporation or its subsidiary; but, notwithstanding any other provision of law, the Reconstruction Finance Corporation may waive reimbursement from War Assets Administration for the administrative property transferred prior to July 1, 1946, and for expenses incurred prior thereto in the custody, maintenance, or disposal of any surplus property: *Provided further*, That no part of the funds of the Reconstruction Finance Corporation or of its subsidiary shall be used to make any purchase or for personal services or to enter into any contract for the use or benefit of any other agency of the Government unless such agency shall have authority in law and appropriations available to make reimbursement for such purchase, personal services, or contract.

SEC. 302. This title may be cited as the "Export-Import Bank and Reconstruction Finance Corporation Appropriation Act, 1950".

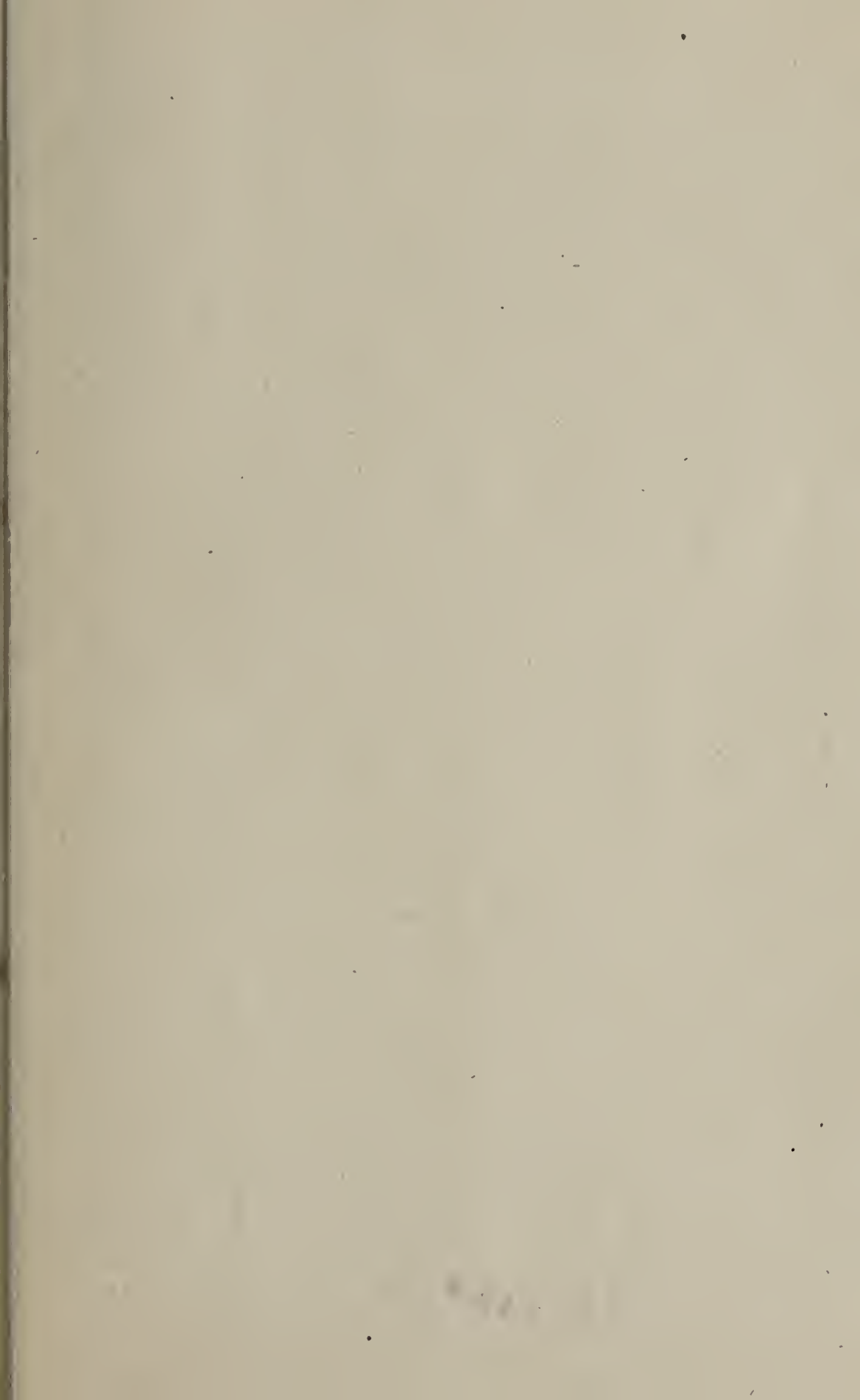
TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the

overthrow of the Government of the United States by force or violence : *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence : *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both : *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 402. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1950".

Approved June 30, 1949.



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